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ILLINOIS REGISTER

Rules of Governmental Agencies

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INTRODUCTION

The Illinois Register is the official state document for publishing public notice of rulemaking activity by State governmental agencies. The table of contents is arranged categorically by rulemaking activity and alphabetically by agency within each category. Rulemaking activity consists of proposed or adopted new rules or amendments to or repealers of existing rules, including those by emergency or peremptory action.

The *Register* also contains Executive Orders and Proclamations issued by the Governor, notices of public information required by State statute, and activities (meeting agendas, Statements of Objection or Recommendation, etc.) of the Joint Committee on Administrative Rules (JCAR), a legislative oversight committee which monitors the rulemaking activities of State agencies. In addition, the *Register* contains a Cumulative Index listing alphabetically by agency the Parts (sets of rules) on which rulemaking activity has occurred in the current *Register* volume and a Sections Affected Index listing, by Title of the *Illinois Administrative Code*, each Section (including supplementary material) of a Part on which rulemaking activity has occurred in the current volume. Both indices are action coded and are designed to aid the public in monitoring rules.

The *Register* will serve as the update to the *Illinois Administrative Code*, a compilation of the rules of State agencies. The most recent edition of the *Code* along with the *Register* comprise the most current accounting of the State agencies' rules.

The *Illinois Register* is the property of the State of Illinois, granted by the authority of the Illinois Administrative Procedure Act (Ill. Rev. Stat. 1989, ch. 127, pars. 1001 et seq., as amended).

REGISTER PUBLICATION SCHEDULE 1991

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Please note: When the Register deadline falls on a State holiday, the deadline becomes 4:30 p.m. on Monday *(the day before).*

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DEPARTMENT OF AGRICULTURE

NOTICE OF PROPOSED AMENDMENTS

1) Heading of Part: Meat and Poultry Inspection Act

2) Code Citation: 8 Ill. Adm. Code 125

3)

Section Numbers:	Proposed Action:	Section Numbers:	Proposed Action:
125.10	Amended	125.230	Amended
125.30	Amended	125.240	Amended
125.40	Amended	125.250	Amended
125.50	Amended	125.260	Amended
125.60	Amended	125.270	Amended
125.80	Amended	125.280	Amended
125.90	Amended	125.290	Amended
125.100	Amended	125.300	Amended
125.110	Amended	125.305	Amended
125.120	Amended	125.310	Amended
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125.140	Amended	125.330	Amended
125.150	Amended	125.340	Amended
125.160	Amended	125.350	Amended
125.170	Amended	125.360	Amended
125.180	Amended	125.370	Amended
125.190	Amended	125.380	Amended
125.200	Amended	125.390	Amended
125.210	Amended	125.400	Amended
125.220	Amended	125.410	Amended

4) Statutory Authority: The Meat and Poultry Inspection Act (Ill. Rev. Stat. 1989, ch. 56 1/2, par. 316).

5) A Complete Description of the Subjects and Issues Involved:

In order to maintain an "equal to" status with the federal meat and poultry inspection programs as required by the Federal Meat Inspection Act, the Federal Poultry Inspection Act, and in compliance with Section 16 of The Meat and Poultry Inspection Act, the federal code as it appeared in 1984 relative to meat and poultry inspection and changes to the rules as they appeared in the federal registers since 1984 were adopted.

To assist the public in locating the rules since 1984 versions of the federal code are very difficult to obtain and to eliminate confusion in referring to the subsequent 6 years of federal registers where changes to the rules were adopted, the agency is proposing to adopt the latest printed

DEPARTMENT OF AGRICULTURE

NOTICE OF PROPOSED AMENDMENTS

version of the federal rules, which is 1990. At this time, we have updated references to the latest printed edition of the Illinois Revised Statutes. These amendments will not have an impact on the regulated public as changes in the federal rules have already been adopted.

Further, these amendments should create no additional economic impact on the regulated public.

6) Will this proposed rule replace an emergency rule in effect?: No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by incorporations by reference? None requiring prior JCAR approval.

9) Are there any other amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: Rule does not affect units of local governments.

11) Time, Place and Manner in which interested persons can comment on this proposed rulemaking:

A 45-day written comment period will be granted for receiving comments from the public. This comment period will begin on the day the notice of rulemaking appears in the Illinois Register. Comments should be sent to the Director, Department of Agriculture, State Fairgrounds, P.O. Box 19281, Springfield, Illinois 62794-9281.

This proposed rulemaking may have an impact on small businesses. In accordance with Sections 3.01 and 4.03 of the Illinois Administrative Procedure Act, small businesses may present their comments to the Director as outlined above.

12) Initial Regulatory Flexibility Analysis:
A) Date rule was submitted to the Business Assistance Office of the Department of Commerce and Community Affairs: January 18, 1991

B) Types of small businesses affected: Meat and Poultry Establishments

DEPARTMENT OF AGRICULTURE

NOTICE OF PROPOSED AMENDMENTS

C) Reporting, bookkeeping or other procedures required for compliance: The amendments adopt the latest printed version of the federal code, and since any procedures for compliance have already been adopted through peremptory rulemaking, this proposed action should not create any reporting, bookkeeping or other procedures not already required.

D) Types of professional skills necessary for compliance: Basic management.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF AGRICULTURE

NOTICE OF PROPOSED AMENDMENTS

TITLE 8: AGRICULTURE AND ANIMALS
CHAPTER I: DEPARTMENT OF AGRICULTURE
SUBCHAPTER c: MEAT AND POULTRY INSPECTION ACT

PART 125
MEAT AND POULTRY INSPECTION ACT

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125.370 Handling and Disposal of Condemned or Inedible Products at Official Establishments
125.380 Labeling and Containers
125.390 Entry of Articles Into Official Establishments; Processing Inspection and Other Reinspections; Processing Requirements
125.400 Definitions and Standards of Identity or Composition
125.410 Transportation; Sale of Poultry or Poultry Products

AUTHORITY: Implementing and authorized by The Meat and Poultry Inspection Act (Ill. Rev. Stat. 1989, ch. 56 1/2, par. 301 et seq.) and The Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989, ch. 127, par. 16).

SOURCE: Adopted at 9 Ill. Reg. 1782, effective January 24, 1985; peremptory amendment at 9 Ill. Reg. 2337, effective January 28, 1985; peremptory amendment at 9 Ill. Reg. 2980, effective February 20, 1985; peremptory amendment at 9 Ill. Reg. 4856, effective April 1, 1985; peremptory amendment at 9 Ill. Reg. 9240, effective June 5, 1985; peremptory amendment at 9 Ill. Reg. 10102, effective June 13, 1985; peremptory amendment at 9 Ill. Reg. 11673, effective July 17, 1985; peremptory amendment at 9 Ill. Reg. 13748, effective August 23, 1985; peremptory amendment at 9 Ill. Reg. 15575, effective October 2, 1985; peremptory amendment at 9 Ill. Reg. 19759, effective December 5, 1985; peremptory amendment at 10 Ill. Reg. 447, effective December 23, 1985; peremptory amendment at 10 Ill. Reg. 1307, effective January 7, 1986; peremptory amendment at 10 Ill. Reg. 3318, effective January 24, 1986; peremptory amendment at 10 Ill. Reg. 3880, effective February 7, 1986; peremptory amendment at 10 Ill. Reg. 11478, effective June 25, 1986; peremptory amendment at 10 Ill. Reg. 14858, effective August 22 1986; peremptory amendment at 10

Ill. Reg. 15305, effective September 10, 1986; peremptory amendment at 10 Ill. Reg. 16743, effective September 19, 1986; peremptory amendment at 10 Ill. Reg. 18203, effective October 15, 1986; peremptory amendment at 10 Ill. Reg. 19818, effective November 12, 1986; peremptory amendment at 11 Ill. Reg. 1696, effective January 5, 1987; peremptory amendment at 11 Ill. Reg. 2930, effective January 23, 1987; peremptory amendment at 11 Ill. Reg. 9645, effective April 29, 1987; peremptory amendment at 11 Ill. Reg. 10321, effective May 15, 1987; peremptory amendment at 11 Ill. Reg. 11184, effective June 5, 1987; peremptory amendment at 11 Ill. Reg. 14830, effective August 25, 1987; peremptory amendment at 11 Ill. Reg. 18799, effective November 3, 1987; peremptory amendment at 11 Ill. Reg. 19805, effective November 19, 1987; peremptory amendment at 12 Ill. Reg. 2154, effective January 6, 1988; amended at 12 Ill. Reg. 3417, effective January 22, 1988; peremptory amendment at 12 Ill. Reg. 4879, effective February 25, 1988; peremptory amendment at 12 Ill. Reg. 6313, effective March 21, 1988; peremptory amendment at 12 Ill. Reg. 6819, effective March 29, 1988; peremptory amendment at 12 Ill. Reg. 13621, effective August 8, 1988; peremptory amendment at 12 Ill. Reg. 19116, effective November 1, 1988; peremptory amendment at 12 Ill. Reg. 20894, effective December 21, 1988; peremptory amendment at 13 Ill. Reg. 228, effective January 11, 1989; peremptory amendment at 13 Ill. Reg. 2160, effective February 13, 1989; amended at 13 Ill. Reg. 3696, effective March 13, 1989; peremptory amendment at 13 Ill. Reg. 15853, effective October 5, 1989; peremptory amendment at 13 Ill. Reg. 16838, effective October 11, 1989; peremptory amendment at 13 Ill. Reg. 17495, effective January 18, 1990; amended at 14 Ill. Reg. 3424, effective February 26, 1990; peremptory amendment at 14 Ill. Reg. 4953, effective March 23, 1990; peremptory amendment at 14 Ill. Reg. 11401, effective July 6, 1990; peremptory amendment at 14 Ill. Reg. 13355, effective August 20, 1990; peremptory amendment at 14 Ill. Reg. 16064, effective September 24, 1990; peremptory amendment at 14 Ill. Reg. 21060, effective May 29, 1991; amended 15 Ill. Reg. _____, effective _____.

SUBPART A: GENERAL PROVISIONS FOR BOTH MEAT AND/OR POULTRY INSPECTION

Section 125.10 Definitions

a) Terms shall be as defined in 9 CFR 301, 303.1(d)(2), (ii), (iii) (a), (b), (d), (e) and (f), (iv), (v) and (vi), 381.1, 381.10(d)(2), (ii), (iii)(a), (b), (d), (iv), (v) and (vi), and 352.1(b) through (t) (1990 ~~1989~~), unless they are otherwise defined in The Meat and Poultry Inspection Act (Ill. Rev. Stat. 1989 ~~1987~~, ch. 56 1/2, par. 301 et seq.~~, as amended by P.A. 86-217,~~

~~effective August 15, 1989~~) or in this Section as follows:

"Act" means The Meat and Poultry Inspection Act (Ill. Rev. Stat. 1989 ~~1987~~, ch. 56 1/2, par. 301 et seq.~~, as amended by P.A. 86-217, effective August 15, 1989~~).

"Approved veterinarian" means any person who has graduated from a veterinary college that is recognized by the American Veterinary Medical Association.

"Birds" shall mean poultry as defined in Section 2.7 of the Act.

"Condition" means any condition, including, but not being limited to, the state of preservation, cleanliness, or soundness of any product made from rabbits or the processing, handling, or packaging which may affect the wholesomeness of such product.

"Livestock" means cattle, sheep, swine, buffalo, catalo, cattalo, domestic deer, domestic elk, domestic antelope, domestic reindeer, water buffalo, and goats.

"Members of the household" means those persons who occupy a single family unit.

b) With regard to the definitions of consumer and similar type establishment, the Director has not designated any other type of establishment or institution under these terms other than those specifically stated in the incorporated language.

c) With regard to the definitions of retail store, only those sections which are incorporated by reference as stated in Section 125.10(a) shall be included in the definition. References within the incorporated language to the section of the federal rules pertaining to operations of types traditionally and usually conducted at retail stores and restaurants refer to the operations defined in Section 5(A) of the Act. No product exempted from inspection in accordance with Section 5 of the Act shall be prepared in any retail store, restaurant or similar retail-type establishment.

d) References in the incorporated language to 9 CFR 312 and 313 shall be interpreted as references to Sections 125.90 and 125.220 respectively. References to the Humane Methods and Slaughter Act of 1978 shall mean as set forth in Section 125.220.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.30 Application for License; Approval

a) An application for license to operate an establishment or act as a broker shall be made in accordance with Section 3 of the Act. A fee as set forth in Section 3(b) of the Act shall accompany the license application.

b) When there is a change in the ownership of the brokerage business or of the establishment or of any tenant or subsidiary of the licensee, a new application for license shall be submitted by the person desiring to operate the establishment or act as a broker in accordance with Section 125.30(a). If there has been no change in the facilities of the establishment as shown on the drawings and specifications required by Section 125.30(c) and the licensee so states in writing to the Department, copies of drawings and specifications shall not be required to accompany the new application for license. When there is a change in the facilities or location of any official establishment or broker, a new application for license shall be submitted by the licensee in accordance with Section 125.30(a) and (c).

c) In the case of establishments handling meat and meat products, the Department incorporates by reference 9 CFR 304.2(a)(1) and (2) (1990 ~~1984~~), and in the case of establishments handling poultry and poultry products, the Department incorporates by reference 9 CFR 381.19(a)(2) through (5), (c) and (d) (1990 ~~1984~~). If the establishment handles both meat and/or poultry or meat and/or poultry products, the establishment shall comply with both of the before-stated provisions. Except that in any case, the Department requests 3 copies of said drawings and specifications to accompany the application for license. The specification requirements are as set forth in Sections 125.170 and 125.180.

d) The applicant for license to operate an establishment or act as a broker shall submit the following information to the Department on the application form:

1) Name and address and telephone number of the applicant.

2) Type of operation(s) the applicant will be performing (i.e., slaughter, processing, custom slaughter, meat broker, poultry broker, or meat and poultry broker).

3) The location of the establishment or brokerage business for which the license is requested.

4) The name and address of any tenant or subsidiary of the applicant that will be preparing meat and/or poultry or meat and/or poultry products at the establishment (if applicable).

5) Name of the establishment (trade name).

6) Legal entity of the applicant (e.g., individual, association, corporation) and the legal name of the business.

7) State where the corporation or association is incorporated and list of officers (if applicable).

e) The applicant for license shall certify on the application for license that he/she shall comply with the Act and the rules of this Part. The applicant and any tenant or subsidiary of the applicant shall be responsible for compliance with the Act and rules of this Part.

f) The slaughter or preparation of meat and/or poultry products at any official establishment shall be performed only by employees of the licensee or by employees of the tenant or subsidiary whose name was submitted to the Department on the license application.

g) Before issuing a license to operate an establishment an inspection shall be made of the establishment to determine compliance with Sections 125.50, 125.170 and 125.180. All labels shall be approved in accordance with Sections 125.90 and 125.260 before any meat and/or poultry or meat and/or poultry product is transported in commerce. The Director shall issue a license to act as a broker or to operate an establishment if the applicant is not in violation of Section 19 of the Act and the establishment is in compliance with the rules of this Part. If the applicant for license is denied, the procedure as set forth in Section 19(F) of the Act shall be followed. The hearing rules are set forth in Section 125.60.

h) Only one license to operate an official establishment shall be issued by the Department for each facility. The slaughter of meat and/or poultry or the preparation of meat and/or poultry products by any tenant or subsidiary of the licensee who is listed on the application form shall be construed as part of the official establishment for inspection purposes.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.40 Official Number

The Department incorporates by reference 9 CFR 305.1(a) (1990 ~~1984~~).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.50 Inspections; Suspension or Revocation of License

a) An official establishment shall be physically separated (e.g., permanent wall or separate building) from any other operations licensed by the Department (e.g., renderer or blender).

b) The Department incorporates by reference 9 CFR 305.2(c), 305.3 and 381.26 (1990 ~~1984~~). The sanitary conditions and adequate facilities referred to in the incorporated language shall mean that the conditions will be deemed sanitary if they are in compliance with Section 125.180 and facilities will be deemed adequate if they are in compliance with Section 125.70.

c) The Director shall suspend or revoke a license in accordance with the provisions of Section 19(E) of the Act. The Department shall follow the procedure set forth in Section 19(F) of the Act prior to suspending or revoking a license. The hearing rules are as set forth in Section 125.60. The Department will suspend a license until the violation is corrected and brought into compliance with the Act or rules of this Part. The Department will revoke a license for repeated violations of the Act or the rules of this Part. In deciding to

revoke a license, the Department shall consider factors pertinent to the case, such as the number of violations involved, the number of previous violations of the establishment, the nature of the violation(s) (e.g., public health hazard, bribery, and misuse of official legends or marks) and its severity.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.60 Administrative Hearings; Appeals

a) All decisions and actions of the Department are subject to the Illinois Administrative Procedure Act (Ill. Rev. Stat. 1989 ~~1987~~, ch. 127, par. 1001 et seq.) and the Department's Administrative Rules (8 Ill. Adm. Code 1) which pertain to administrative hearings, petitions, contested cases, declaratory rulings and availability of Department files for public access. Administrative hearings are governed by the Illinois Administrative Procedure Act, Subpart B of the Department's Administrative Rules, and Section 19(F) of The Meat and Poultry Inspection Act.

b) Any appeal from a decision of an inspector shall be made either orally or in writing to the regional supervisor. Any appeal from a decision of a regional supervisor shall be made either orally or in writing to the Bureau Chief, Bureau of Meat and Poultry Inspection, Division of Animal Industries, Department of Agriculture, Springfield, Illinois 62794-9281 (217/782-6684). The regional supervisor or the Bureau Chief shall respond to an appeal within 72 hours from the time the appeal is received or the appellant may proceed to the next higher level of appeal. Any appeal from a decision of the Bureau Chief shall be made in writing to the Superintendent, Division of Animal Industries and an administrative hearing shall be held.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.80 Schedule of Operations; Overtime

a) The Department incorporates by reference 9 CFR 307.4(a), 307.4(d), and 381.37(a) and (d) (1990 ~~1984~~). References to 9 CFR 307.6(b) and 381.39(b) in the incorporated language shall be interpreted to mean as set forth in this Section.

b) The basic workweek and workday shall be those days and hours as on file and approved by the Department of Central Management Services in accordance with the Personnel Code (Ill. Rev. Stat. 1989 ~~1987~~, ch. 127, par. 63b101 et seq.) and the rules for that Act (80 Ill. Adm. Code 303.300). The work schedule of the official establishment and any requests for changes in the work schedule shall be submitted in writing by the licensee to the regional supervisor. However, minor deviations (one hour or less) from the daily operating schedule shall be approved by the inspector if the request is received on the day before the change is to occur and the change is only for that particular day.

c) Overtime charges for inspection services rendered shall be as follows:

1) For inspection on a Saturday, Sunday or on a workday at times other than the hours as set forth in the approved work schedule, the rate shall be $15.00 per hour or any fraction of an hour.

2) For inspection on holidays, the rate shall be $10.00 per hour or any fraction of an hour.

d) The overtime charge shall be for the actual time the inspector is performing the inspection service. Travel expenses and the minimum overtime that will be billed is as follows:

1) When an inspector has departed the official establishment after the completion of his/her regular workday and is recalled to perform inspection service, the minimum overtime that will be charged shall be two hours.

2) For inspection service rendered on Saturday, Sunday or on a holiday, the minimum overtime that will be charged is two hours.

3) When an inspector is required to return to the establishment after the completion of his/her regular work day or on a Saturday, Sunday or holiday, the official establishment will be billed for mileage charged by the inspector in accordance with

Travel Regulations (80 Ill. Adm. Code 2800) in addition to the overtime charged.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.90 Official Marks of Inspection, Devices and Certificates

a) The official inspection legend which indicates the meat, poultry, buffalo, catalo, cattalo, domestic deer, domestic elk, domestic antelope, domestic reindeer, water buffalo, or meat, buffalo, catalo, cattalo, domestic deer, domestic elk, domestic antelope, domestic reindeer, water buffalo, and/or poultry product was inspected and passed shall be as prescribed in Section 2.26 of the Act.

b) The Department incorporates by reference 9 CFR 312.2(b)(2), 312.4, 312.5(a), 312.6, 312.9, 381.98, 381.99, 381.100, 381.101, 381.103, and 381.108, 381.110 through 381.111 (1990 ~~1989~~), except that the inscription on the mark of inspection shall contain the word "Illinois" rather than "U.S.".

c) The brands shall be in the forms as prescribed in Section 2.26 of the Act.

d) The Department shall supply all Illinois Retained, Illinois Seizure, and Illinois Rejected paper tags. The Illinois Seizure tag is used in lieu of the federal detained tag.

e) The seal referred to in 9 CFR 312.5(a) and 381.98 shall be a padlock or metal self-locking tab as shown in the illustration for the federal rules.

f) The only official brands, symbols, legends and devices shall be those set forth in this Section.

g) Certificates shall be those set forth in the incorporated federal rules.

h) Reference to federal forms MP-427, MP-35, and CP-483 shall mean Illinois paper tags as identified in this Section and MP-514-1 shall mean Illinois form IL 406-0372. A seal is used by the Department in lieu of issuing a form the equivalent of federal form MP-408-3.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.100 Records and Reports

a) The Department incorporates by reference 9 CFR 320.1(b), 320.6(a), 320.7, 381.175(b), 381.180(a) and 381.181 (1990 ~~1984; 49 FR 4715, effective Feb. 8, 1984; 49 FR 2236, effective July 17, 1984; 51 FR 45602, effective June 19, 1987; 53 FR 40378, effective November 14, 1988~~).

b) Access to the establishment, its premises, records and inventories shall be provided to the Department in accordance with Section 14 of the Act and Section 125.70.

c) Each person who is required to be licensed in accordance with Section 3 of the Act shall keep records as stated in the incorporated language of 9 CFR 320.1(b) and 381.175(b), except that for custom slaughtering and custom processing transactions, the recordkeeping requirements shall be those set forth in Section 5(B)(2)(f) of the Act. Records shall be retained for 5 years after December 31 of the year in which the transaction to which the record relates has occurred. If a record must be retained for longer than 5 years because of an on-going investigation or litigation, the Department shall notify the licensee in writing as to which record is to be retained, the reasons for such retention and the retention period. The Department shall consider when determining the retention period the court date, if known, or the time needed to conclude the investigation (e.g., considering the type of disease being investigated, the number of animals involved, and laboratory testing procedures, if applicable).

d) The licensee of the official establishment shall maintain such records at the establishment. In the case of a broker, the records shall be maintained at the office listed on the application for license.

e) The Department shall request a licensee to submit an evaluation of the inspection program or of the inspector's performance when the Department is conducting a review of the effectiveness of the Meat and Poultry Inspection Program or when a complaint on the inspector's performance has been received.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.110 Exemptions

a) Meat and/or poultry and meat and/or poultry products exempted from ante-mortem and post-mortem inspection requirements shall be as set forth in Section 5 of the Act. Transportation of meat and/or poultry and meat and/or poultry products which are exempted from ante-mortem and post-mortem inspection shall be in accordance with Section 5 of the Act (i.e., they cannot be transported in commerce). Labeling requirements on such exempted meat and/or poultry and meat and/or poultry products shall be as stated in Section 5 of the Act.

b) The Department incorporates by reference 9 CFR 303.2 (1990 ~~52FR 48084, effective December 18, 1987~~).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.120 Disposal of Dead Animals and Poultry

The collection, transportation, and disposal of carcasses or parts of carcasses of animals or poultry that have died other than by slaughter at an official establishment shall be in accordance with the Illinois Dead Animal Disposal Act (Ill. Rev. Stat. 1989 ~~1983~~, ch. 8, par. 149.1 et seq.) and the rules adopted pursuant thereto (8 Ill. Adm. Code 90), unless such animals or poultry are custom slaughtered and delivered by the owner to an official establishment for custom processing in accordance with Section 5 of the Act.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.130 Reportable Animal and Poultry Diseases

Any animal or poultry suspected of being infected with a reportable disease (see 8 Ill. Adm. Code 85.10) shall be reported by the inspector or veterinarian in accordance with the Illinois Diseased Animals Act (Ill. Rev. Stat. 1989 ~~1983~~, ch. 8, par. 168 et seq.) and the rules adopted pursuant thereto (8 Ill. Adm. Code 85).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.140 Detention; Seizure; Condemnation

a) The Department incorporates by reference 9 CFR 329.1 through 329.5, and 381.210 through 381.214 (1990 ~~1984~~).

b) Reference in the incorporated language to Title I and II of the Act, any other federal law, laws of any territory or the District of Columbia, notification of federal authorities not connected with the program, and Section 404 of the Act are not applicable to the Department in its enforcement of the incorporated language. References to federal forms MP-484, CP-484, CP-479, and MP-479 shall mean Illinois forms MI-17 and MI-18. Illinois Retained or Illinois Seizure tags are used in lieu of federal form MP-483. The Department issues a Notice of Seizure, form MI-39, in lieu of federal form MP-487.

c) Meat and/or poultry or meat and/or poultry product that is detained shall be released when it is in conformance with the Act and the rules of this Part. The Department shall verbally inform, followed up with written notification, the owner or person in charge of the detained meat and/or poultry or meat and/or poultry product as to what action must be taken to bring the meat and/or poultry or meat and/or poultry product into compliance. Meat and/or poultry or meat and/or poultry products shall be condemned as stated in Section 15 of the Act.

d) CONDEMNED MEAT OR POULTRY PRODUCTS SHALL BE EFFECTIVELY DESTROYED FOR HUMAN FOOD PURPOSES BY THE OWNER OF THE MEAT OR POULTRY PRODUCT UNDER THE SUPERVISION OF AN INSPECTOR (quoted from Section 15 of the Act) in accordance with the denaturing procedures as set forth in Section 125.290 (specifically the incorporated language in 9 CFR 325.13). If the owner of the meat and/or poultry or meat and/or poultry product refuses to destroy the condemned meat and/or poultry or meat and/or poultry product, the Department shall take judicial action in the circuit court within the jurisdiction where the condemned product was found to confiscate the condemned meat and/or poultry or meat and/or poultry product in order to denature such meat and/or poultry or meat and/or poultry product so it cannot be used for human food purposes.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

DEPARTMENT OF AGRICULTURE

NOTICE OF PROPOSED AMENDMENTS

SUBPART B: MEAT INSPECTION

Section 125.150 Livestock and Meat Products Entering Official Establishments

The Department incorporates by reference 9 CFR 302.3 (1990 ~~1984~~).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.160 Equine and Equine Products

The slaughter, labeling, denaturing, and transportation of equine and equine products shall be in accordance with the Illinois Horse Meat Act (Ill. Rev. Stat. 1989 ~~1983~~, ch. 56 1/2, par. 240 et seq.) and the rules adopted pursuant thereto (8 Ill. Adm. Code 70).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.170 Facilities for Inspection

a) The Department incorporates by reference 9 CFR 307.1, 307.2, 307.3 and 307.7 (1990 ~~1984; 50 FR 19900, effective July 12, 1985; 53 FR 46429, effective December 19, 1988~~).

b) The inspector's office shall be approved if it is in compliance with the requirements for an inspector's office as set forth in the "Sanitation Handbook for Meat and Poultry Inspection" and the "U.S. Inspected Meat and Poultry Packing Plants, A Guide to Construction and Layout" as adopted in Section 125.20 and the provisions of this Section. The office will be considered as being in a convenient location if it is on the premises of the official establishment or located in a building adjacent to the official establishment. Small plants (as identified in 9 CFR 307.1) shall furnish an inspector's office either at the establishment or in a building adjacent to the official establishment.

c) Facilities and equipment shall be provided by the official establishment as necessary to meet the operational needs (e.g., slaughtering facilities, processing facilities) of the establishment and the Department shall construe such facilities and equipment as being adequate, suitable or sufficient if the operational needs of the establishment can be met and inspection and sanitary conditions maintained in accordance with the rules of this Part.

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(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.180 Sanitation

a) The Department incorporates by reference 9 CFR 308.1 through 308.5(a), 308.5(g) and 308.6 through 308.16 (1990 ~~1984; 51 FR 45602, effective June 19, 1987; 53 FR 46429, effective December 19, 1988~~).

b) The Department shall approve construction of an establishment or the remodeling of an establishment if such establishment or the remodeling is in accordance with "U.S. Inspected Meat and Poultry Packing Plants, A Guide to Construction and Layout" as adopted by the Department in Section 125.20.

c) The Department will permit for use in any official establishment equipment or utensils that are on the "List of Accepted Meat and Poultry Equipment" as adopted in Section 125.20.

d) The Department shall approve the reuse of water for the specific purposes mentioned in the incorporated language of 9 CFR 308.3(d)(2) or for use as nonpotable water (see 9 CFR 308.3(d)(1)). An analysis of the water potability at an official establishment shall be furnished to the inspector annually by the licensee if the water supply comes from a municipal water source or semi-annually if the water supply comes from a well or cistern. Additional water potability reports shall be required to be furnished whenever the inspector has reason to believe the water is not potable (e.g., water main break or results from laboratory tests indicate that water could be the cause of the product being adulterated).

e) Any of the control procedures for excluding flies or vermin as stated in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20 shall be approved for use in an official establishment.

f) When determining if sanitation requirements are being or can be met, the Department shall consider the facili-

ties, equipment and the operations of the establishment as being sanitary if they are in compliance with the "Sanitation Handbook for Meat and Poultry Inspection" and the operating procedures and sanitation requirements in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20 and the provisions of this Section.

g) Pest control substances (e.g., insecticides or rodenticides) and disinfectants used in an official establishment shall be those products on the "List of Proprietary Substances and Nonfood Compounds" as adopted in Section 125.20.

h) Slack barrels and other containers used in the shipping of meat products shall be lined with plastic or a paper of such quality that it will not readily tear when moisten from contact with the meat or meat product.

i) Barrels, boxes and other containers used for shipping meat products shall be considered as unfit for use if they are torn, broken, have lost their original shape or are wet.

j) Equipment, utensils, rooms or compartments which were found in violation of the sanitation requirements of this Section shall be considerated as "made acceptable" when they are in compliance with the rules of this Part.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.190 Ante-Mortem Inspection

a) The Department incorporates by reference 9 CFR 309.1 through 309.4(a), 309.5 through 309.11, and 309.13 through 309.18 (1990 ~~1984; 49 FR 23605, effective June 4, 1984; 49 FR 27732, effective July 6, 1984; 50 FR 32162, effective September 9, 1985; 50 FR 53127, effective January 29, 1986; 52 FR 2101, effective January 20, 1987; 53 FR 40378, effective November 14, 1988~~; 55 FR 7472, effective May 31, 1990).

b) In cases of emergency slaughter (see 9 CFR 311.27) and where the inspector cannot be contacted or is unable to return to the establishment, the owner of the animal shall obtain the services of a licensed veterinarian who shall perform an ante-mortem examination on the animal.

If upon examination the animal shows no symptoms of disease or abnormal conditions that would prohibit its intended use as human food in accordance with the provisions of this Section, the veterinarian shall prepare a written statement to the effect that the animal is in compliance with ante-mortem requirements of this Section and can be slaughtered at the official establishment. The veterinarian's statement shall be kept on file by the official establishment in accordance with Section 125.100. The costs of the veterinary services shall be borne by the owner of the animal.

c) The Department shall approve treatment programs for diseased animals providing the licensee provides the necessary holding pens where such animals can be kept apart from the other livestock awaiting slaughter and the owner of the animal(s) agrees to the treatment and assumes the cost of such treatment. Following treatment, the animal shall be released from slaughter at the request of the owner or of the official establishment and permitted to be transported from the establishment provided the animal was not infected with a reportable disease (see Section 125.130).

d) An animal found in a comatose or semicomatose condition shall be set apart from the other livestock and held for further observation at the request of the owner or the official establishment.

e) "Other responsible official supervision" shall mean under the supervision of a licensed veterinarian or a program employee of the U.S. Department of Agriculture.

f) At the option of the owner of the animal, any animal identified as a suspect may be reinspected by a veterinarian as set forth in Section 9 of the Act or the animal shall be slaughtered and identified in accordance with the provisions of this Section.

g) An animal will be withheld from slaughter to permit biological residues to be reduced in accordance with 9 CFR 309.16 when the owner informs the inspector that the animal was taking chemicals or biologics or there is evidence to suggest that the animal was taking chemicals or biologics (e.g., injection marks, chemical odor). The time period for holding such animal shall depend on the withdrawal period of the chemical or biologic that was administered the animal. The inspector shall permit

the slaughter of such animal (see 9 CFR 309.16a) when requested by the official establishment or by the owner of the animal.

h) The inspector shall approve the use by any establishment of any skin tattoo that contains a number identifying the animal or lot. The identifying number for the skin tattoo shall be assigned by the inspector.

i) Reference to federal form MP-402-2 shall mean Illinois form V-2. References in the incorporated language to 9 CFR 314 shall be interpreted to mean in accordance with Section 125.230.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.200 Post-Mortem Inspection

a) The Department incorporates by reference 9 CFR 310(a) and 310.2 through 310.21, and 310.23 (1990 ~~1984; 49 FR 23606, effective June 4, 1984; 50 FR 32162, effective September 9, 1985; 52 FR 2101, effective January 20, 1987; 53 FR 40378, effective November 14, 1988; 53 FR 45888, effective December 15, 1988; 54 FR 36755, effective October 5, 1989~~; 55 FR 7472, effective May 31, 1990; 55 FR 29564, effective August 20, 1990), except that the preparation of meat and meat products for nonhuman food purposes (e.g., dog food) is not permitted at an official establishment. The preparation of nonhuman food products must be done in establishments licensed under the Illinois Dead Animal Disposal Act.

b) The unusual circumstance and acceptable arrangements referred to in 9 CFR 310(a) shall mean in the case of emergency slaughter and in accordance with the procedure outlined in Section 125.190.

c) In the case of emergency slaughter and where a veterinarian was obtained by the owner to perform ante-mortem inspection (see Section 125.190), the veterinarian may perform post-mortem inspection of the animal. The carcass and all parts, including viscera, shall be identified as set forth in 9 CFR 310.2 and held for the inspector. If the veterinarian performs the post-mortem inspection at the request of the owner, then the cost of such service shall be borne by the owner of the animal.

d) Disinfectants that can be used in an official establishment shall be those set forth in Section 125.180.

e) With regard to the incorporated language in 9 CFR 310.2(b)(4), alternate methods proposed by the operator of an official establishment for handling devices shall be approved if such method will accomplish the specific provisions as stated in that paragraph.

f) Retained carcasses may be washed or trimmed provided such washing or trimming does not affect the disposition of the carcasses by removing conditions or lesions which caused the carcasses to be identified as retained.

g) Temporary identification of retained carcasses by an official establishment shall be permitted; however, Illinois Retained tags shall be used to identify the carcasses along with any temporary identification that is used.

h) References in the incorporated language to 9 CFR 314 shall be interpreted to mean in accordance with Section 125.230.

i) Facilities for handling and inspecting cow udders shall be as set forth in "U.S. Inspected Meat and Poultry Packing Plants, A Guide to Construction and Layout" as adopted in Section 125.20.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.210 Disposal of Diseased or Otherwise Adulterated Carcasses and Parts

a) The Department incorporates by reference 9 CFR 311 (1990 ~~1984~~).

b) For the purpose of administering the incorporated language, the laboratories referred to shall mean any approved laboratory as defined in 8 Ill. Adm. Code 20.1. "Properly prepared and packaged" shall mean that the specimen shall be wrapped so as to prevent adulteration of the specimen and any leakage from the package.

c) An approved freezing facility is an establishment licensed under the Illinois Refrigerated Warehouses Act

(Ill. Rev. Stat. 1989 ~~1983~~, ch. 56 1/2, par. 79.1 et seq.).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.220 Humane Slaughter of Animals

Animals shall be slaughtered in accordance with "AN ACT to define and require the use of humane methods in the handling, preparation for slaughter, and slaughter of livestock for meat or meat products to be offered for sale" (Ill. Rev. Stat. 1989 ~~1983~~, ch. 8, par. 229.51 et seq.) and the rules adopted pursuant thereto (8 Ill. Adm. Code 50).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.230 Handling and Disposal of Condemned or Other Inedible Products at Official Establishment

a) Condemned and inedible products shall be disposed of by persons licensed in accordance with the Illinois Dead Animal Disposal Act (see Section 125.120). If the official establishment has no facilities for tanking the condemned carcasses or meat products or if the inspector cannot leave the slaughter area, the condemned meat or meat products shall be denatured as set forth in 9 CFR 314.3 (1990 ~~1984~~) before they leave the official establishment.

b) The Department incorporates by reference 9 CFR 314.2, 314.7, and 314.9 through 314.11 (1990 ~~1984~~).

c) The Department does not permit animals that have died other than by slaughter in accordance with the custom slaughter exemption in Section 5 of the Act to be brought on the premises of the official establishment, except for animals which have died en route. Animals that have died en route to the official establishment shall be disposed of by licensed renderers (see Section 125.120).

d) Pipes and chutes shall be installed in accordance with the provisions of Section 125.180.

e) Proprietary material shall be as set forth in the "List of Proprietary Substances and Nonfood Compounds" as adopted in Section 125.20.

f) "Denaturing of carcasses to the extent necessary to preclude its use for food purposes" shall mean that one of the denaturing methods in 9 CFR 325.13 as adopted in Section 125.290 must be used.

g) Carcasses or parts of carcasses condemned on account of anthrax shall be disposed of in accordance with the provisions of Section 125.120.

h) Specimens of condemned or other inedible products shall be released if compliance with the specific provisions of 9 CFR 314.9 is met. An example of an objectionable condition would be in the case of a sanitary problem.

i) The movement of livers and condemned products from an official establishment will be permitted in accordance with the provisions of Section 125.120.

j) Reference to federal form MP-403-10 shall mean Illinois form MI-10. References in the incorporated language to other sections within 9 CFR 314 that have not been adopted shall be interpreted to mean in accordance with the provisions of this Section. References to 9 CFR 325 shall be interpreted to mean in accordance with Section 125.290.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.240 Rendering or Other Disposal of Carcasses and Parts Passed for Cooking

a) The Department incorporates by reference 9 CFR 315 (1990 ~~1984~~).

b) References to 9 CFR 314 shall be interpreted to mean in accordance with Section 125.230.

c) When the product in the tank that has been passed for cooking does not consist of a carcass or whole primal part, the tank shall be sealed by the inspector.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

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Section 125.250 Marking Products and Their Containers

a) The Department incorporates by reference 9 CFR 316.1 through 316.5(d), 316.5(f) through 316.11, 316.13(a), 316.13(b), 316.13(d) through 316.13(h) and 316.14 through 316.15 (1990 ~~1984; 53 FR 28632, effective August 29, 1988~~).

b) Branding ink need not be submitted to the Department and it will be approved for use by the inspector in accordance with Section 2.11(B)(4) of the Act and the other provisions of the incorporated federal Section (9 CFR 316.5). Branding ink shall be purple.

c) The Department shall approve the manufacture of a device or label containing an official mark of inspection provided it is in compliance with Section 125.90.

d) Additional official marks of inspection may be applied to meat and/or meat products at the option of the official establishment.

e) References in the incorporated language to 9 CFR 312 shall be interpreted to mean in accordance with Section 125.90 and reference to 9 CFR 314 shall be interpreted to mean in accordance with Section 125.230.

f) "Customarily sold at retail intact" shall mean that the meat product in the casing is sold at a retail store and customarily is not cut up into smaller packages.

g) Products as identified in the incorporated language of 9 CFR 316.10 shall comply with Section 125.290 (specifically the incorporated language in 9 CFR 325.5) when being transferred between official establishments. No especial form for this transfer is issued by the Department as in the case of federal inspection (federal form MP-408-1).

h) Only those methods specifically included in 9 CFR 316.10(c) shall be approved for applying the list of ingredients.

i) "Legibly and conspicuously marked" shall mean in compliance with the provisions of Section 125.260 (specifically the incorporated language of 9 CFR 317.2(j)(6) through (9)).

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j) Carcasses and meat products prepared on a custom basis shall be labeled in accordance with Section 5(E)(4)(d) of the Act.

k) Food additives and color additives shall be approved for use if the product is not adulterated in accordance with Section 2.11(B)(3) and (4) of the Act. When a specific antioxidant appears on the label, it shall be identified as set forth in Section 125.260 (specifically the incorporated language of 9 CFR 317.2(j)(10)).

l) Stencils, box dies, labels and brands shall be approved in accordance with the provisions of Section 125.260.

m) References to paragraphs 302(c)(2) of the Act and 23(b) of the Act shall be interpreted to mean those exemptions as set forth in Section 125.110. References in the incorporated language to 9 CFR 350 are not applicable to the Department in its enforcement of the rules of this Part.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.260 Labeling, Marking and Containers

a) The Department incorporates by reference 9 CFR 317.1 through 317.2(j)(10), 317.2(j)(12) through 317.4(d)(1), 317.5 through 317.6, 317.8, 317.10 through 317.14, 317.17 through 317.20(d) (1990 ~~1984; 49 FR 4715, effective Feb. 8, 1984; 49 FR 18998, effective June 3, 1984; 49 FR 2335, effective July 17, 1984; 50 FR 19903, effective July 12, 1985; 50 FR 21420, effective June 24, 1985; 51 FR 29456, effective September 17, 1986; 51 FR 30052, effective September 22, 1986; 53 FR 7493, effective April 8, 1988; 53 FR 28634, effective August 29, 1988; 53 FR 49848, effective January 11, 1989~~; 55 FR 7289, effective August 28, 1990; 55 FR 34678, effective September 24, 1990; 55 FR 49826 and 50081, effective May 29, 1991).

b) The Department shall approve only those abbreviations for marks of inspection as specifically stated in Section 2.26(j)(3) and (k)(3), (4), (5) and (9) of the Act.

c) Labeling and sketch labeling shall be approved by the Department if the label is in compliance with the provisions of this Section and the label is not misbranded

in accordance with Section 2.20 of the Act. All labels and sketch labels shall be submitted to the Springfield office of the Department for approval.

d) The Department shall approve temporary labeling as stated in 9 CFR 317.4(d)(1). Labeling which has received temporary approval shall not be used beyond the temporary approval period unless the printer or manufacturer of the label is unable to provide the official establishment with the labels before the expiration of the temporary approval.

e) The quantity of contents as shown on the label shall be in compliance with the Weights and Measures Act (Ill. Rev. Stat. 1989 ~~1983~~, ch. 147, par. 101 et seq.) and the rules adopted thereto (8 Ill. Adm. Code 600.120).

f) The Department does not approve terms for generic labeling and considers the approval of terms as generic to be the responsibility of the federal government.

g) With regard to the incorporated language in 9 CFR 317.6, the extension of time for exhausting existing stocks of labels is not applicable since all labels presently in use are in compliance with the rules of this Part.

h) The Department does not issue a list of approved packaging materials and will permit for use any packaging material which has been approved by the U.S. Department of Agriculture (see 49 FR 2235, effective July 17, 1984).

i) Labels to be used for the relabeling of inspected and passed product shall be permitted to leave the official establishment when the product must be relabeled because the original labels have become multilated or damaged. The official establishment shall reimburse the Department for any overtime costs, if applicable, involved for the inspector to supervise the relabeling of a product. The overtime charges shall be as set forth in Section 125.80.

j) The inspector shall grant authorization to transport labels, wrappers and containers bearing official marks from one official establishment to another official establishment provided the official establishment provides to the inspector the information required in 9 CFR

317.13 so that the inspector can notify the inspector at the destination point.

k) Labeling of custom slaughter and/or custom processed meat and/or meat products and the containers containing custom slaughtered and/or custom processed meat and/or meat products shall be as set forth in Section 5 of the Act.

l) References in the incorporated language to 9 CFR 312 shall be interpreted to mean in accordance with Section 125.90.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.270 Entry into Official Establishment; Reinspection and Preparation of Product

a) The Department incorporates by reference 9 CFR 318.1(c) through 318.7, 318.9 through 318.10, 318.14 through 318.20, 318.22, 318.300 through 318.311 (1990 ~~1984; 49 FR 23606, effective June 4, 1984; 49 FR 19623, effective June 8, 1984; 49 FR 18999, effective July 3, 1984; 49 FR 32055, effective Aug. 10, 1984; 49 FR 33434, effective Aug. 23, 1984; 49 FR 14877, effective April 15, 1985; 49 FR 46530, effective January 28, 1985; 50 FR 6, effective January 2, 1985; 50 FR 3728, effective February 27, 1985; 50 FR 5226, effective August 6, 1985; 50 FR 19903, effective July 12, 1985; 50 FR 19905, effective July 12, 1985; 50 FR 27573, July 5, 1985; 50 FR 32162, effective September 9, 1985; 50 FR 48075, November 21, 1985; 50 FR 50282, effective February 10, 1986; 51 FR 1769, effective January 15, 1986; 51 FR 21731, effective July 16, 1986; 51 FR 29456, effective September 17, 1986; 51 FR 30052, effective September 22, 1986; 51 FR 32301, effective October 14, 1986; 51 FR 35630, effective November 6, 1986; 51 FR 37902, effective November 26, 1986; 51 FR 45602, effective June 19, 1987, except for Section 318.305(h)(3) which is effective December 21, 1987, and Section 318.310 which is effective December 19, 1988; 52 FR 12517, April 17, 1987; 52 FR 17283, effective June 8, 1987; 52 FR 19302, effective June 22, 1987; 52 FR 30136, effective September 14, 1987; 52 FR 43316, effective November 12, 1987; 53 FR 7493, effective April 8, 1988; 53 FR 49844, December 12, 1988; 53 FR 49848, effective January 11, 1989~~; 54 FR 43041, effective January 18, 1990; 55 FR 7294, effective August 28, 1990; 55 FR

34678, effective September 24, 1990, as amended by 55 FR 49991, December 4, 1990).

b) No meat or meat product shall be brought into an official establishment unless it is inspected or has been prepared in an official establishment or in a federally licensed establishment and is identified by an official inspection legend as set forth in Section 125.90, a federal inspection legend, or is exempt from inspection as stated in Section 125.110. Meat and meat products received in an official establishment during the absence of the inspector shall be identified as set forth in Section 125.200 and, unless exempt from inspection, shall not be used or prepared until they have been reinspected. Any meat and meat product originally prepared at any official establishment may not be returned to any part of such establishment other than the receiving area until it has been reinspected by the inspector and passed. Wild game carcasses shall comply with Section 5(B)(6) of the Act. The official establishment shall maintain an inventory of non-meat items (e.g., spices, preservatives) which are received at the official establishment. Any product that is brought on the premises of an official establishment contrary to the provisions of this Section shall be removed immediately from such establishment by the operator of the establishment.

c) Reinspections of meat and/or meat products within the official establishment shall be performed through the use of a random digit table.

d) Docks and receiving rooms for meat and/or meat products or other articles used by the establishment in the preparation of meat products entering an official establishment shall be approved by the inspector if the location of such docks or receiving rooms will not permit such product or article to pass through rooms containing inspected and passed products.

e) The manner of defrosting frozen products and methods of treating to preserve products shall be in accordance with procedures as set forth in the "Meat and Poultry Inspection Manual" as adopted in Section 125.20.

f) Casings or weasand shall be inspected and passed if it is in compliance with the specific provisions as stated in 9 CFR 318.5(i) for passage of such articles.

g) The Department does not approve new substances to be used on meat or in meat products, their uses or the levels of use of an approved substance. Such substances will be permitted to be used and artificial flavorings may be used if they do not adulterate the meat and/or meat product in accordance with Section 2.11 of the Act and are in compliance with the provisions of this Section.

h) References to exemptions from slaughter and custom slaughter shall mean those exemptions set forth in Section 125.110.

i) Reference to 9 CFR 327 are not applicable to the Department in its enforcement of the rules of this Part. References to the federal Poultry Inspection Act, Section 403 of the Act, Section 7 of the Act, 9 CFR 303, and paragraph 23(a) of the Act shall be interpreted to mean in accordance with The Meat and Poultry Inspection Act and the rules of this Part.

j) The Department does not approve thermometers for use in smokehouses, dry rooms and other compartments that are used in the treatment of pork.

k) Disinfectants shall be those as set forth in Section 125.180.

l) Adequate vacuum shall be determined through the use of vacuum gauges.

m) Canned products which may be processed without steam-pressure cooking shall be those products as stated in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

n) The inspector shall permit lots of canned product to be shipped from the official establishment prior to the completion of the incubation period on the representative samples in accordance with the specific provisions in 9 CFR 318.309.

o) The standards and procedures for determining when ingredients of finished products are in compliance with this Section shall be as set forth in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.280 Meat Definitions and Standards of Identity or Composition

The Department incorporates by reference 9 CFR 319 (1990 ~~1984; 49 FR 14879 and 14880, effective April 15, 1985; 49 FR 46530, effective January 28, 1985; 50 FR 3738, effective February 27, 1985; 50 FR 9788, effective April 15, 1985; 51 FR 32057, effective October 9, 1986; 53 FR 5150, effective March 23, 1988; 53 FR 8425, effective April 14, 1988; 54 FR 40631, effective October 3, 1989 and adopted by the Department on October 11, 1989~~; 55 FR 34678, effective September 24, 1990). Methods for the destruction of live trichinae in pork shall be as set forth in Section 125.270 (specifically the incorporated language of 9 CFR 318.10(c)).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.290 Transportation

a) The Department incorporates by reference 9 CFR 325.1(a) through 325.1(b)(1), 325.1(c) through 325.2, 325.5 through 325.8(b), 325.10, 325.13, 325.14 through 325.19 (1990 ~~1984~~).

b) Transportation of products which have become adulterated or misbranded from an official establishment shall be in sealed containers or sealed trucks.

c) Proprietary substances shall be those as stated in the "List of Proprietary and Nonfood Compounds" as adopted by the Department in Section 125.20.

d) Specimens of product for laboratory examination, research or for other nonhuman food purposes (e.g., educational training) shall be in compliance with Section 125.230.

e) References in the incorporated language to 9 CFR 312, 320 and 314 shall be interpreted to mean in accordance with Sections 125.90, 125.100 and 125.230 respectively.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.300 Special Services Relating to Meat and Other Products

a) The Department incorporates by reference 9 CFR 350.1 through 350.3(a), 350.3(c), 350.5 through 350.7(a) and 350.7(d) (1990 ~~1989~~).

b) The charges for special services shall be paid by check, draft or money order payable to the Illinois Department of Agriculture upon furnishing to the person who requested the service a statement as to the amount due. The fee for rendering these services shall be at the rate of $15 per hour, except for services rendered on a holiday which shall be $30. The person who requested the special service shall also be billed for travel expenses incurred by the inspector in accordance with Travel Regulations (80 Ill. Adm. Code 2800).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.305 Exotic Animal Inspection

a) With regard to the inspection and processing of exotic animals, the Department incorporates by reference 9 CFR 352.1, 352.3, 352.11, 352.12, 352.13, 352.14, 352.15, 352.16, and 352.17 (1990 ~~1989~~).

b) The Department incorporates by reference 9 CFR 352.7 (1990 ~~1989~~), except that the description of the official inspection legend and brand shall be as described in Section 125.90.

c) References in the incorporated language to 9 CFR 304, 317, 309, 310, 311, 314, 318, 320, and 325 shall be interpreted as references to the provisions in Sections 125.30, 125.250, 125.190, 125.200, 125.210, 125.230, 125.270, 125.100 and 125.290 respectively.

d) References in the incorporated language to 9 CFR 313 shall be interpreted as references to Section 125.220.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

SUBPART C: POULTRY INSPECTION

Section 125.310 Application of Inspection

The Department incorporates by reference 9 CFR 381.3(c) through (e) and 381.7 (1990 ~~1984; 52 FR 48084, effective December 18, 1987~~), unless such products are exempted from inspection in accordance with Section 5 of the Act. All rabbits that are eviscerated in an official establishment shall be inspected for condition and wholesomeness and no dressed rabbits or uninspected products of rabbits shall be brought into an official establishment, unless they are exempt from inspection in accordance with Section 5 of the Act.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.320 Facilities for Inspection

a) The Department incorporates by reference 9 CFR 381.36 (1990 ~~1984; 50 FR 37508, effective October 16, 1985; 52 FR 39207, effective December 21, 1987~~).

b) The inspector's office shall be approved if it is in compliance with the requirements for an inspector's office as set forth in the "Sanitation Handbook for Meat and Poultry Inspection" as adopted in Section 125.20 and the provisions of this Section. The office will be considered as being in a convenient location if it is on the premises of the official establishment or located in a building adjacent to the official establishment. Small plants (as identified in 9 CFR 381.36) which do slaughtering shall furnish an inspector's office either at the establishment or in a building adjacent to the official establishment.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.330 Sanitation

a) The Department incorporates by reference 9 CFR 381.45 through 381.53(a)(1), 381.53(c) through 381.59, and 381.61 (1990 ~~1984; 51 FR 45602, effective June 19, 1987~~).

b) The Department shall approve the construction of an establishment or the remodeling of an establishment if such establishment or the remodeling is in compliance with "U.S. Inspected Meat and Poultry Packing Plants, A Guide to Construction and Layout" as adopted by the

Department in Section 125.20 and the provisions of this Section.

c) The Department will permit for use in any official establishment equipment or utensils that are on the "List of Accepted Meat and Poultry Equipment" as adopted by the Department in Section 125.20.

d) When determining if sanitation requirements are being or can be met, the Department shall consider the facilities, equipment and the operations of the establishment as being sanitary if they are in compliance with the "Sanitation Handbook For Meat and Poultry Inspection" and the sanitation requirements and operating procedures as stated in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20 and the provisions of this Section.

e) An analysis of the water potability at an official establishment shall be furnished to the inspector annually by the licensee if the water supply comes from a municipal water source or semi-annually if the water supply comes from a well or cistern. Additional water potability reports shall be required to be furnished whenever the inspector has reason to believe the water is not potable (e.g., water main break or results from laboratory tests indicate that water could be the cause of the product being adulterated).

f) The Department does not have any approved methods for reclaiming wax and will accept any method which does not cause adulteration of the poultry or poultry products.

g) Any receptacle used for holding condemned carcasses shall be equipped for locking and sealing.

h) It is the Department's policy that equipment and utensils used in an official establishment shall not be used outside the official establishment.

i) Any of the control procedures for excluding flies or vermin as stated in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20 shall be approved for use in an official establishment.

j) Germicides, insecticides, rodenticides, detergents, wetting agents and other compounds which are used in an official establishment shall be approved for use if they

are on the "List of Proprietary Substances and Nonfood Compounds" as adopted by the Department in Section 125.20. The manner in which such compounds are used shall be in accordance with the manufacturer's label.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.340 Operating Procedures

a) The Department incorporates by reference 9 CFR 381.65 through 381.66 (1990 ~~1984; 49 FR 3643, effective Feb. 29, 1984; 49 FR 9411, effective April 12, 1984~~).

b) The bar-cut method of evisceration shall not be used.

c) Cut-up poultry may be processed from unchilled eviscerated poultry only in air conditioned rooms (50 degrees F. or less).

d) The meltage of ice in the chilling system shall be counted toward the minimum fresh water intake requirements provided an accurate measurement of the amount of melted ice can be obtained.

e) Reference to the Poultry Inspector's Handbook shall mean the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

f) The Department shall approve the shipment of poultry in operational type containers, such as chill tanks or lugs, from one official establishment to another official establishment for further processing provided the means of conveyance is sealed and the poultry can reach its destination in accordance with the general chilling requirements as stated in this Section (see 9 CFR 381.66(b)).

g) Ready-to-cook poultry shall be permitted to be moved from an official establishment prior to freezing in accordance with the specific requirements as stated in 9 CFR 381.66(f)(3).

h) Compounds used in immersion or spray freezing procedures shall be those that are listed in the "List of Proprietary Substances or Nonfood Compounds" as adopted by the Department in Section 125.20.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.350 Ante-Mortem Inspection

a) The Department incorporates by reference 9 CFR 381: Subpart J (1990 ~~1984~~).

b) Procedures for ante-mortem and post-mortem inspections and any correlation between the two inspections shall be as set forth in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

c) Incineration of poultry suspected of having been treated with or exposed to any substance which imported a biological residue shall be in accordance with Section 125.370. The Department shall permit the slaughter of such poultry for the purpose of collecting tissues for analysis of the residue upon the request of the owner of the poultry or at the request of the official establishment.

d) The Director shall approve the slaughter of poultry which was used in research in accordance with the specific provisions as stated in 9 CFR 381.75, except for rabbits as stated in Section 125.360.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.360 Post-Mortem Inspection; Disposition of Carcasses and Parts

a) The Department incorporates by reference 9 CFR 381: Subpart K (1990 ~~1984; 50 FR 37508, effective October 16, 1985; 50 FR 38097 (1985); 51 FR 3569, effective January 29, 1986; 53 FR 46855, effective December 21, 1988~~).

b) Carcasses of rabbits affected with or showing lesions of any of the following named diseases or conditions shall be condemned: Tularemia, anthrax, hemorrhagic septicemia, pyemia, septicemia, leukemia, acute enteritis, peritonitis, sarcomatosis, metritis, necrobacillosis (Smorl's Disease), tuberculosis, emaciation, streptobacillary pseudotuberculosis, and advanced stages of snuffles. Rabbits from pathological laboratories shall be condemned.

c) Carcasses of rabbits showing any disease, such as generalized melanosis and pseudoleukemia which systemically affect the rabbit, shall be condemned.

d) Any organ or part of a rabbit carcass which is badly bruised or which is affected by an abscess or a suppurating sore, shall be condemned. Parts or carcasses of rabbits which are contaminated by pus shall be condemned.

e) Carcasses of rabbits contaminated by volatile oils, paints, poisons, gases or other substances which affect the wholesomeness of the carcass shall be condemned.

f) All carcasses of rabbits so infected that consumption of the meat or meat food products thereof may give rise to meat poisoning shall be condemned. This includes all carcasses showing signs of any of the following diseases: Acute inflammation of the lungs, pleura, pericardium, peritoneum or meninges, septicemia or pyemia (whether traumatic, or without evident cause), gangrenous or severe hemorrhagic enteritis or gastritis, polyarthritis and acute nephritis. Immediately after the slaughter of any rabbit so infected, the infected premises and implements used shall be sanitized. The part or parts of any carcass coming into contact with the carcass or any part of the carcass of any rabbit listed in this paragraph other than those affected with acute inflammation of the lungs, pleura, pericardium, peritoneum or meninges, shall be condemned.

g) Carcasses of rabbits showing any degree of icterus with a parenchymatous degeneration of organs, the result of infection or intoxication, and those which, as a result of a pathological condition show an intense yellow or greenish-yellow discoloration without evidence of infection or intoxication shall be condemned.

h) Carcasses of rabbits affected with mange or scab in advanced stages or showing emaciation or extension of the inflammation to the flesh shall be condemned. When the diseased condition is localized, the carcass shall be passed for food purposes after removal and condemnation of the affected parts.

i) In the disposal of carcasses and parts of carcasses of rabbits showing evidence of infestation with parasites not transmissible to man, the following general rules

shall govern: If the lesions are localized in such manner and are of such character that the parasites and the lesions caused by them may be radically removed, the non-affected portion of the carcass, or part of the carcass, shall be certified for food purposes after the removal and condemnation of the affected portions. Where a part of a carcass shows numerous lesions caused by parasites, or the character of the infestation is such that complete extirpation of the parasites and lesions is difficult and uncertainly accomplished, or if the parasitic infestation or invasion renders the organ or part in any way unfit for food, the affected organ or part shall be condemned. Where parasites are found to be distributed in a carcass in such a manner or to be of such a character that their removal and the removal of the lesions caused by them are impracticable, no part of the carcass shall be certified as capable for use as human food and the entire carcass shall be condemned. Carcasses of rabbits infested with a hydatid cyst or cysts (Echinococcus grandulosis), transmissible to dogs and from dogs to man, shall in all cases be condemned regardless of the degree of infestation.

j) Carcasses of rabbits showing such degree of emaciation or anemic condition as would render the meat unwholesome, and carcasses which show a slimy degeneration of the fat or a serious infiltration of the muscles shall be condemned.

k) Carcasses of poultry, the viscera and any part removed from the carcass shall be kept together and identified by a lot number until the inspector performs a post-mortem inspection.

l) The Department's hearing rules are set forth in Section 125.60.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.370 Handling and Disposal of Condemned or Inedible Products at Official Establishments

Condemned and inedible poultry and/or poultry products shall be disposed of by persons licensed in accordance with the Illinois Dead Animal Disposal Act (see Section 125.120). If the official establishment has no facilities for tanking the condemned carcasses or poultry products or if the inspector cannot leave the

slaughter area, the condemned poultry or poultry products shall be denatured as set forth in 9 CFR 381.95(c) (1990 ~~1984~~).

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.380 Labeling and Containers

a) The Department incorporates by reference 381.115 through 381.127, and 381.129 through 381.132(b)(1), 381.133 through 381.144(d) (1990 ~~1984; 49 FR 4715, effective Feb. 8, 1984; 49 FR 18999, effective July 3, 1984; 49 FR 2236, effective July 17, 1984; 50 FR 21420, effective June 24, 1985; 53 FR 28634, effective August 29, 1988~~; 55 FR 5976, effective March 23, 1990; 55 FR 7289, effective August 28, 1990; 55 FR 49826 and 50081, effective May 29, 1991).

b) Each shipping container and each immediate container containing inspected and passed poultry and/or poultry products shall be identified in accordance with the labeling provisions of this Section.

c) Immediate containers of poultry products packed in, bearing or containing any chemical additive shall bear a label naming the additive and the purpose of its use.

d) Labels for consumer packages shall be approved if the label is not misbranded in accordance with Section 2.20 of the Act and is in compliance with this Section.

e) The specific statements listed in 9 CFR 381.121 may be added to the label for the shipping container at the option of the licensee.

f) The quantity of contents as shown on the label shall be in compliance with the Weights and Measures Act and the rules adopted thereto (8 Ill. Adm. Code 600.120).

g) No labeling or containers that have not been approved shall be used until a final decision is rendered at an administrative hearing in accordance with Section 19 of the Act and Section 125.60.

h) The Department shall approve the manufacture of a device or label containing an official mark of inspection provided the device or label is in compliance with Section 125.90.

i) Labeling and sketch labeling shall be approved by the Department if the label is in compliance with the provisions of this Section and the label is not misbranded in accordance with Section 2.20 of the Act. All labels and sketch labels shall be submitted to the Springfield office of the Department for approval.

j) The Department shall approve temporary labeling as stated in 9 CFR 381.132(b)(1). Labeling which has received temporary approval shall not be used beyond the temporary approval period unless the printer or manufacturer of the label is unable to provide the official establishment with the permanent labels before the expiration of the temporary approval.

k) A copy of each label submitted for approval shall be accompanied by a statement showing the common or usual names, the kinds and percentages of the ingredients comprising the poultry product and a statement indicating the method or preparation of the product with respect to which the label is to be used. Laboratories used for chemical analysis shall be any approved laboratory as defined in 8 Ill. Adm. Code 20.1.

l) The Department does not approve terms for generic labeling and considers the approval of terms as generic to be the responsibility of the federal government.

m) The Department does not issue a list of approved packaging materials and will permit for use any packaging material which has been approved by the U.S. Department of Agriculture (see 49 FR 2235, effective July 17, 1984).

n) Labels and devices approved for use pursuant to Section 125.90 and this Section shall be disposed of only when such labels or devices have been mutilated or damaged or when the establishment ceases to do business. Such labels and devices shall be given to the inspector for disposition.

o) The inspector shall grant authorization to transport labels, wrappers and containers bearing official marks from one official establishment to another official establishment provided the official establishment provides to the inspector the information required in 9 CFR 381.138 so that the inspector can notify the inspector at the destination point.

p) Labels to be used for the relabeling of inspected and passed product shall be permitted to leave the official establishment when the product must be relabeled because the original labels have become multilated or damaged. The official establishment shall reimburse the Department for any overtime costs, if applicable, involved for the inspector to supervise the relabeling of a product. The overtime charges shall be as set forth in Section 125.80.

q) Labeling of custom slaughtered and/or custom processed poultry and/or poultry products and the containers containing custom slaughtered and/or custom processed poultry products shall be as set forth in Section 5 of the Act.

r) The Department shall approve only those abbreviations for marks of inspection as specifically stated in Section 2.26(j)(3), (4), (5) and (9) of the Act.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.390 Entry of Articles Into Official Establishments; Processing Inspection and Other Reinspections; Processing Requirements

a) The Department incorporates by reference 9 CFR 381.145(b) through 381.148, 381.150 through 381.151, 381.300 through 381.311 (1990 ~~1984; 49 FR 19623, effective June 8, 1984; 49 FR 19000, effective July 3, 1984; 49 FR 32055, effective Aug. 10, 1984; 50 FR 6, effective January 2, 1985; 50 FR 50282, effective February 10, 1986; 51 FR 32301, effective October 14, 1986; 51 FR 45602, effective June 19, 1987, except for Section 381.305(h)(3) which is effective December 21, 1987 and Section 381.310 which is effective December 19, 1988; 53 FR 7493, effective April 8, 1988~~; 55 FR 5976, effective March 23, 1990; 55 FR 23070, effective July 6, 1990).

b) No poultry or poultry product shall be brought into an official establishment unless it is inspected or has been prepared in an official establishment or in a federally licensed establishment and is identified by an official inspection legend as set forth in Section 125.90, the federal inspection legend, or is exempt from inspection as stated in Section 125.110.

c) Poultry and poultry products received in an official establishment during the absence of the inspector shall be identified as set forth in Section 125.360 and, unless exempt from inspection, shall not be used or prepared until they have been reinspected. Any poultry and/or poultry product originally prepared at any official establishment may not be returned to any part of such establishment other than the receiving area until it has been reinspected and passed by the inspector.

d) The official establishment shall maintain an inventory of non- poultry items (e.g., spices, preservatives) which are received at the official establishment. Any product that is brought on the premises of an official establishment contrary to the provisions of this Section shall be removed immediately from such establishment by the operator of the establishment.

e) Reinspections of poultry and/or poultry products within the official establishment shall be performed through the use of a random digit table.

f) Poultry feet shall be approved for processing for human food in accordance with the procedures set forth in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

g) The Department does not approve new substances to be used on poultry or in poultry products, their uses or the levels of use of an approved substance. Such substances will be permitted to be used if they will not adulterate the poultry and/or poultry product in accordance with Section 2.11 of the Act and are in compliance with the provisions of this Section.

h) Ready-to-heat-and-eat poultry or stuffed ready-to-roast poultry may be moved from an official establishment prior to freezing in accordance with the provisions of Section 125.330 (specifically the incorporated language in 9 CFR 381.66(f)(3)).

i) Any method of cleaning immediate containers used for the holding of poultry and poultry products shall be approved if such method is in compliance with the sanitation requirements (see Section 125.330).

j) Canned poultry products which may be processed without steam-pressure cooking shall be those products as stated

in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

k) The inspector shall permit lots of canned poultry products to be shipped from the official establishment prior to the completion of the incubation period on the representative samples in accordance with the specific provisions in 9 CFR 381.309.

l) Disinfectants which may be used in an official establishment shall be those products on the "List of Proprietary Substances and Nonfood Compounds" as adopted by the Department in Section 125.20.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.400 Definitions and Standards of Identity or Composition

a) The Department incorporates by reference 9 CFR 381: Subpart P (1990 ~~1984~~; 55 FR 34678, effective September 24, 1990).

b) Cooling of poultry shall be in accordance with the provisions set forth in Section 125.330.

c) Definitions and standards of identity or composition for poultry products shall be as set forth in this Section and in Section 13(d) of the Act.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 125.410 Transportation; Sale of Poultry or Poultry Products

a) The Department incorporates by reference 9 CFR 381.189 through 381.193 (1990 ~~1984~~).

b) Transportation of dead, dying, disabled or diseased poultry and parts of carcasses or poultry that has died otherwise than by slaughter at an official establishment, unless exempt from inspection and transportation requirements as set forth in Section 125.110, shall be in accordance with Section 125.120.

c) The manner for handling heads and feet of poultry shall be as set forth in the "Meat and Poultry Inspection Manual" as adopted by the Department in Section 125.20.

d) References in the incorporated language to USDA and PPIA shall mean the Illinois Department of Agriculture and The Meat and Poultry Inspection Act respectively. References to "penalties in Section 11 of the Act" shall mean as set forth in Section 19 of The Meat and Poultry Inspection Act.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

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1) Heading of the Part: Standards of Service for Local Exchange Telecommunications Carriers

2) Code Citation: 83 Ill. Adm. Code 730

3)

Section Number:	Proposed Action:	Section Number:	Proposed Action:
730.100	New Section	730.445	New Section
730.105	New Section	730.450	New Section
730.200	New Section	730.500	New Section
730.300	New Section	730.505	New Section
730.305	New Section	730.510	New Section
730.310	New Section	730.515	New Section
730.315	New Section	730.520	New Section
730.320	New Section	730.525	New Section
730.325	New Section	730.530	New Section
730.330	New Section	730.535	New Section
730.335	New Section	730.540	New Section
730.400	New Section	730.600	New Section
730.405	New Section	730.605	New Section
730.410	New Section	730.700	New Section
730.415	New Section	730.705	New Section
730.420	New Section	730.710	New Section
730.425	New Section	730.715	New Section
730.430	New Section	730.720	New Section
730.435	New Section	730.725	New Section
730.440	New Section		

4) Statutory Authority: Implementing Section 8-301 and authorized by Section 10-101 of The Public Utilities Act (Ill. Rev. Stat. 1989, ch. 111 2/3, pars. 8-301 and 10-101).

5) A Complete Description of the Subjects and Issues Involved: Part 730 currently contains the Commission's standards of service for telephone utilities. This Part pre-dates the amendment of The Public Utilities Act which became effective on January 1, 1986. The Commission is proposing repeal of the current Part 730 and the adoption of a new Part 730 to reflect amendments to The Public Utilities Act and reflect new terminology and technology in the field of telecommunications.

6) Will this proposed rule replace an emergency rule currently in effect? No.

7) Does this rulemaking contain an automatic repeal date? No.

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8) Does this proposed rule contain incorporations by reference? No.

9) Are there any other proposed amendments pending on this Part? No.

10) Statement of Statewide Policy Objectives: These proposed rules neither creates nor expands any state mandate on units of local government, school districts, or community college districts.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking:

Any person who plans to submit comments should file a notice of intent thereof, within 21 days of the date of this issue of the Illinois Register with:

Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62706

Comments should be filed with the Chief Clerk within 45 days of the date of this issue of the Illinois Register.

12) Initial Regulatory Flexibility Analysis:

A) Date rules were submitted to the Business Assistance Office of the Department of Commerce and Community Affairs: January 28, 1991

B) Types of small businesses affected: These rules will affect those local exchange carriers that are also small businesses as defined in the Illinois Administrative Procedure Act.

C) Reporting, bookkeeping or other procedures required for compliance: Reporting procedures.

D) Types of professional skills necessary for compliance: Managerial and engineering skills.

The full text of the Proposed Rules begins on the next page:

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NOTICE OF PROPOSED RULES

TITLE 83: PUBLIC UTILITIES
CHAPTER I: ILLINOIS COMMERCE COMMISSION
SUBCHAPTER f: TELEPHONE UTILITIES

PART 730
STANDARDS OF SERVICE FOR LOCAL EXCHANGE TELECOMMUNICATIONS CARRIERS

SUBPART A: GENERAL

Section
730.100 Application of Part
730.105 Definitions

SUBPART B: RECORDS AND REPORTS

Section
730.200 Preservation of Records

SUBPART C: ENGINEERING

Section
730.300 Construction
730.305 Maintenance of Plant and Equipment
730.310 Grade of Service
730.315 Inter-Office Trunks
730.320 Network Service
730.325 Emergency Operation
730.330 Construction Work Near Utility Facilities
730.335 Network Interface

SUBPART D: CALL DATA, INSPECTIONS, AND TESTS

Section
730.400 Provisions for Testing
730.405 Call Data Records
730.410 Call Data Reading Interval
730.415 Call Data Recording Equipment and Test Facilities
730.420 Call Data Recording Equipment Requirements
730.425 Initial Test
730.430 As-Found Tests
730.435 Routine Tests
730.440 Request Tests
730.445 Referee Tests
730.450 Test Records

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SUBPART E: STANDARDS OF QUALITY OF SERVICE

Section
730.500 Adequacy of Service
730.505 Operator Handled Calls
730.510 Answering Time
730.515 Central Office Administrative Requirements
730.520 Inter-Office Trunks
730.525 Transmission Requirements
730.530 Coin Telephone Service
730.535 Interruptions of Service
730.540 Installation Requests

SUBPART F: SAFETY

Section
730.600 Safety Program
730.605 Accident Reports

SUBPART G: BOUNDARIES

Section
730.700 Map Requirements
730.705 Map Specifications
730.710 Application for Certificate
730.715 Service Outside Exchange Boundaries
730.720 Map Maintenance
730.725 District Boundaries

AUTHORITY: Implementing Section 8-301 and authorized by Section 10-101 of The Public Utilities Act (Ill. Rev. Stat. 1989, ch. 111 2/3, pars. 8-301 and 10-110).

SOURCE: Filed November 6, 1970; amended at 7 Ill. Reg. 2147, effective February 4, 1983; codified at 8 Ill. Reg. 12191; Part repealed and new Part adopted at Ill. Reg. , effective .

SUBPART A: GENERAL

Section 730.100 Application of Part

This Part shall apply to all local exchange carriers providing noncompetitive telecommunications services as defined in Section 13-210 of the Universal Telephone Service Protection Law of 1985 ("Law") (Ill. Rev. Stat. 1989, ch. 111 2/3, par. 13-210). A local exchange carrier not responsible for the provision and maintenance

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of a specific service, as covered by this Part, shall not be subject to the rules that apply to such service.

Section 730.105 Definitions

As used in this Part, the following terms shall have these definitions:

"Access line" means the connecting facility between a customer's premises network interface device and the local exchange carrier's facility that provides access to the switching network for local exchange and inter-exchange telecommunications service. This includes the network interface or equivalent, the outside plant facilities, the office frame and frame wiring and the office line termination.

"Analog" means a continuous electrical signal which carries information by means of variations in its amplitude or frequency. The electrical signal being transmitted varies in direct relation to the signal generated by the source.

"Application" means a verbal or written request for a telecommunications service.

"Assistance calls" means calls in which the operator provides assistance or instructions to the customer. Examples: rate quotes, credit requests, trouble reports, dial assistance, and dialing instructions.

"Busy hour" means the two consecutive half-hours each day during which the greatest volume of traffic is handled in the central office.

"Busy season" means the two consecutive weeks during which the greatest volume of traffic is handled in the central office.

"Busy tone" means an audible signal indicating a call cannot be completed because the called access line is busy. The tone is applied 60 times per minute.

"Call data" means the recorded information necessary to measure and bill each call.

"Calls" means customers' messages attempted.

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"Central office" means the site where switching equipment is located. A local central office, also called an end office, is the switching office where individual subscriber's access lines appear. It houses the equipment that receives calls transmitted on the local loop and routes the call over the switched network either directly to the person called, if the call is placed to a location served by the same local central office, or to another central office, if the call is placed to a customer served by a different central office. Each central office serves local loops in an exclusive geographic area.

"Certificate of Service Authority" means the authorization by the Illinois Commerce Commission ("Commission") granting a local exchange carrier the right to provide telecommunications services within a specified geographical area.

"Channel" means a single path between two or more points provided for transport of user information and/or signaling for a communications service.

"Connecting company" means a corporation, association, partnership or individual (other than a company affiliated interest)which owns or operates central offices or similar switching facilities and interchanges traffic directly or indirectly with the local exchange carriers.

"Customer" means any person, building owner, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, etc., provided with local exchange carrier telecommunications services as defined in Section 13-204 of the Law (Ill. Rev. Stat. 1989, ch. 111·2/3, par. 13-204). "Customer" may also be referred to as "end user."

"Customer trouble report" means any verbal or written report relating to difficulty or dissatisfaction with the operation of regulated telecommunications services. One report shall be counted for a verbal or written report received. When several items are reported by one customer at the same time, and the group of troubles so reported is clearly related to a common cause, they are counted as one report.

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"dBrnc" means a measure of the interfering effect of noise.

"Decibel" or "dB" means a standard unit used for expressing a transmission signal gain or loss.

"Dial tone" means an audible tone sent from an automatic switching system to a customer to indicate the equipment is ready to receive dial signals.

"Dial tone first" means coin telephone service that allows a customer to obtain a dial tone before money is deposited into the coin telephone.

"Digital" means a signal which carries information by discrete changes in its parameters. For digital transmission of analog information, the incoming voice, data, or video signals are sampled periodically and digitally coded for transport through the network.

"Direct Distance Dialing" or "DDD" means the automatic establishment of toll calls in response to signals from the dialing device of the originating customer.

"Distributing system" means that part of the outside cable plant connecting the central office to the customer network interface at the customer's premises.

"District" means an area of an exchange which is the basis for the determination of usage rates within Market Service Areas (MSA's) (see Section 13-208 of the Law) and of foreign district service and foreign central office service mileage measurement in MSA's.

"Exchange area" means a unit established by a local exchange carrier and approved by the Commission for the administration of telecommunications service in a specified geographical area. It may consist of one or more central offices together with associated plant used in furnishing telecommunications services in that area. Exchange areas are identified on exchange boundary maps on file with the Commission.

"Foreign exchange service" means a classification of exchange services whereby customers may be provided a telecommunications service from a local exchange other than the one from which they would normally be served.

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"Information call" means a call in which a customer will be connected to an information bureau by dialing the proper service code or number and will be given the directory number of the customer whom he desires to call, provided that the customer's number to be called is or will be published or listed in the information records.

"Intercept service" means a service arrangement provided by the local exchange carrier whereby calls placed to a disconnected or discontinued telephone number are intercepted and the calling party given such information as the called telephone number has been disconnected, discontinued, or changed to another number, or that calls are being received by another telecommunications line.

"Line" means the conductor or conductors, supporting circuit equipment, and structures extending between customer network interfaces and central offices, or between central offices, whether they be in the same or different communities.

"Local exchange carrier" means a telecommunications carrier certificated by the Commission to provide intra-exchange and/or inter-exchange service within the same MSA.

"Local exchange service" means the same as "local exchange telecommunications service" as defined in Section 13-204 of the Law.

"Local exchange service area" means the area where telecommunications service is furnished to customers under a specific schedule of rates and without toll charges. A local exchange service area may include one or more exchange areas or portions of exchange areas.

"Local message" means a completed call between customers served by the same central office or between customers served by two different central offices as defined by and in accordance with tariffs.

"Local loop" means a channel between a customer's network interface and its serving central office. The most common form of loop, a pair of wires, is also called a line.

"Local usage charge" means the charge that applies to a call defined as a "local message".

"Map" means a drawing showing a geographical area in which a local exchange carrier furnishes telecommunications services.

"Message" means a completed customer call.

"Network" means the aggregate of transmission systems and switching systems. It is an arrangement of channels, such as loops, trunks, and associated switching facilities.

"Network interface" means the point of termination on the customer premises at which the local exchange carrier's responsibility for the provision and maintenance of network channel or line service ends. The network interface is part of the network and the order of appearance of central office lines on it is determined solely by the local exchange carrier. The network interface is located on the customer side of the protector or its equivalent.

"Network service" means a telecommunications service which links two or more discrete channels for the purpose of creating a point-to-point connection.

"Noise to Ground (Ng)" means the noise measured between ground and the tip and ring conductors. The customer does not hear the noise to ground, but the amount of noise to ground affects the amount of noise metallic which a customer hears.

"Noise Metallic (Nm)" means the noise measured across the tip and ring of a circuit and is the noise that the customer hears.

"Operator number identification" means a service provided by an intercept operator on calls which originate from a telecommunications office that is not equipped for automatic identification of the called number.

"Outside plant" means the telecommunications equipment and facilities installed on, along, over, or under streets, alleys, highways, or on private rights-of-way

between the central office and customer locations or between central offices.

"Premises" means the space occupied in a single local exchange area by a customer in a building or in adjoining buildings not separated by a public thoroughfare or in a public office building where the customer's office space is all contiguous.

"Public telephone service" means one-party access line service equipped with a coin collecting and/or calling-card only telephone instrument installed for the use of the general public in locations where the general public has access to these telephones.

"Reporting entity" means a unit established by the local exchange carrier for the purpose of administering the customer service operations established by this Part.

"Telecommunications service" means all regulated communication service provided by local exchange carriers.

"Toll call" means a completed message between customers in different exchanges for which message toll rates are applicable.

"Traffic" means call volume based on number and duration of messages.

"Transmission" means the process of sending information from one point to another.

"Trunk" means a transmission path between switching units, switching centers, and toll centers.

"Working line" means an active access line or channel.

SUBPART B: RECORDS AND REPORTS

Section 730.200 Preservation of Records

All records required by this Part shall be preserved in accordance with provisions of 83 Ill. Adm. Code 705.

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SUBPART C: ENGINEERING

Section 730.300 Construction

a) For projects in which construction starts after January 1, 1992, each local exchange carrier shall place a minimum of 80% of its constructed cable facilities (measured in sheath miles) underground.

b) The telecommunications outside plant shall be designed, constructed, maintained, and operated in accordance with the provisions of 83 Ill. Adm. Code 305 and 83 Ill. Adm. Code 265.

Section 730.305 Maintenance of Plant and Equipment

Each local exchange carrier shall adopt a maintenance program based on the minimum standards set forth in this Part.

Section 730.310 Grade of Service

No local exchange carrier shall connect more than one customer per access line.

Section 730.315 Inter-Office Trunks

Inter-office trunks or toll circuits shall be metallic, fiber optic, or microwave.

Section 730.320 Network Service

Local exchange carriers shall retain control of the network and not provide service to lines that introduce energy into the network at levels or frequencies that will interfere with other users.

Section 730.325 Emergency Operation

a) Each local exchange carrier shall make provisions to meet emergencies resulting from failures of commercial or power service, sudden and prolonged increases in traffic, illness of personnel, fire, storm, or other natural disasters. Each local exchange carrier shall inform employees as to procedures to be followed in the event of emergency in order to prevent or minimize interruption or impairment of telecommunications service.

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b) Each existing central office shall contain a reserve battery supply of 5 hours where emergency power generators are not installed and 3 hours where they are in place. New central offices or central offices being replaced shall contain a reserve battery supply of 8 hours where emergency power generators are not installed and 5 hours where they are in place. In central offices without installed emergency power generators, there shall be a mobile power unit available which can be delivered and connected within 5 hours.

c) In new central offices exceeding 3,000 working lines, a permanent auxiliary power unit shall be installed. For existing central offices having over 3,000 lines, permanent auxiliary power shall be installed at the time of office replacement or battery replacement.

d) Emergency generator units shall have available at least a 12 hour fuel supply.

e) Emergency generator units shall be tested under load once a month. A record of the test results shall be maintained.

Section 730.330 Construction Work Near Utility Facilities

a) A local exchange carrier, upon receipt of written or verbal notification of work which may affect its facilities, will be responsible for investigating and deciding what action, if any, must be taken to protect any underground service to the public in accordance with 83 Ill. Adm. Code 265.

b) The local exchange carrier shall have the responsibility to protect, remove, alter, or reconstruct its facilities, provided that nothing in this Section shall be deemed to affect any right which the local exchange carrier may have to require advance payment or adequate assurance of payment of the cost thereof to the local exchange carrier by the property owner or contractor.

c) The local exchange carrier may, in order to protect its interest, require that the owner or contractor perform certain work (such as providing ducts, conduit space, or working space) upon that part of the service piping or wiring on, or being removed from, the property on which the work is being performed. This Section is not

intended to affect the responsibility of the contractor or owner, or the liability or legal rights of any party.

d) Coordination of all construction and maintenance work between local exchange carriers and other public utilities shall be in accordance with 83 Ill. Adm. Code 265.

Section 730.335 Network Interface

a) The network interface for a residential customer shall be located in or on a structure owned, rented, or leased by the customer, in which the customer resides.

b) The network interface for business customers shall be located in or on structures owned, rented, or leased by the customer, in which the customer is conducting business.

c) Network interfaces or shall not be located on fence posts, utility poles, or cable pedestals.

d) Network interfaces for temporary services or serving trailers, boats, or customer-owned pay telephones shall be located on structures provided by the customer or on a utility pole.

SUBPART D: CALL DATA, INSPECTIONS, AND TESTS

Section 730.400 Provisions for Testing

Each local exchange carrier shall provide, or have access to, test facilities which will enable it to determine the operating and transmission capabilities of channel and switching equipment, either for routine maintenance or for fault location.

Section 730.405 Call Data Records

Recording devices, when used in connection with telecommunication service to collect call data from which the customer's bills are prepared, shall show:

a) Called customer's telephone number (either 7 or 10 digits);

b) Calling customer's telephone number (7 digits);

c) Date;

d) Time of day; and

e) Duration of message.

Section 730.410 Call Data Reading Interval

Call data shall be read at intervals to correspond to the customer billing period.

Section 730.415 Call Data Recording Equipment and Test Facilities

a) Where local exchange billing is based on the number and/or duration of messages, each local exchange carrier shall provide the facilities and equipment for testing recording equipment.

b) Any local exchange carrier may be exempted from the requirement by petitioning for a waiver from the Commission (see 83 Ill. Adm. Code 200). The Commission shall grant the waiver if the local exchange carrier has made arrangements to have its recording equipment tested by another local exchange carrier or by an organization engaged in the testing of metering equipment.

Section 730.420 Call Data Recording Equipment Requirements

All recording devices used to record data and prepare customers' bills shall be read and interpreted and shall not involve approximations.

Section 730.425 Initial Test

Either the manufacturer, the local exchange carrier, or an organization equipped for such testing shall test each recording device for accuracy when the device is released for service.

Section 730.430 As-Found Tests

All call data recording devices tested in accordance with this Part for either routine maintenance or a complaint shall be tested in their normal operating location and wiring mode prior to removal or adjustment.

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Section 730.435 Routine Tests

Each local exchange carrier shall have written procedures for the periodic testing and maintenance of recording systems to assure the integrity of its operation.

Section 730.440 Request Tests

Upon request of any customer, the local exchange carrier shall make a test of any call data recording device related to billing, provided such a request is not made more frequently than once every 6 months.

Section 730.445 Referee Tests

Any customer, by written request to the Public Utilities Division of the Commission, may have a test of any recording device related to its billing, conducted by the local exchange carrier in the presence of a representative of the Commission, provided such request is not made more frequently than once every 6 months.

Section 730.450 Test Records

A record shall be made of all recording equipment tests and adjustments with supporting data to allow checking of the results. Such record shall include recording system identification, type, date and kind of test, and the results of each test.

SUBPART E: STANDARDS OF QUALITY OF SERVICE

Section 730.500 Adequacy of Service

a) Traffic studies shall be made and records maintained to the extent and frequency necessary to determine that sufficient equipment and an adequate operating force are provided to meet the minimum standards of service set forth in Sections 730.520 and 730.525.

b) Each local exchange carrier shall employ adequate procedures for assignment of facilities. The assignment record shall be kept up to date and checked periodically to determine if adjustments are necessary to maintain proper balance in all trunk and equipment groups.

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c) Local service furnished by pair gain devices at a given exchange shall provide service equivalent to that furnished other subscribers at that exchange served by means of normal physical loops.

d) Local exchange carrier employees shall be instructed to comply with the provisions of all applicable Federal and state laws in maintaining secrecy of communications (See 47 U.S.C. Sec. 605 and Ill. Rev. Stat. 1989, ch. 38, pars. 14-1 to 14-9).

Section 730.505 Operator Handled Calls

When an operator is notified by a customer that he has reached a wrong number, has been cut off, or has experienced poor transmission, the operator shall arrange for credit.

Section 730.510 Answering Time

a) Operator offices shall be staffed so that the average speed of answer shall not exceed seven seconds for the following types of calls:

1) Toll and assistance;

2) Information;

3) Intercept; and

4) Operator number identification.

b) Whenever the average speed of answer exceeds 7 seconds on a monthly basis, the company shall take corrective action.

Section 730.515 Central Office Administrative Requirements

a) Central office capacity and equipment shall be provided to maintain a dial tone within three seconds on 95% of calls during the busy hour.

b) Each central office shall be equipped with alarms to indicate failures or improper functions.

c) All central offices with 400 or more lines shall be provided with intercept equipment or equivalent procedures.

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d) Either operator or mechanized intercept service shall be provided for nonworking or changed terminating numbers until the numbers are assigned or reassigned.

e) All remote switching units are to be equipped to continue to perform basic internal switching functions if a base unit connection is interrupted.

Section 730.520 Inter-Office Trunks

a) Local inter- and intra-office trunks shall be engineered so that at least 98% of telephone calls placed shall not encounter an all trunks busy condition. When the completion rate falls below 96% for three consecutive months, corrective action shall be initiated.

b) The trunk and related switching components in the inter-toll network shall be engineered and maintained so that 98% of the properly dialed DDD incoming calls, during the average busy season, shall receive ringing signal, busy tone, or intercept on the first attempt.

c) Inter-office toll access trunks shall be engineered for completion of 99% of calls without an all trunks busy condition. Whenever the completion rate falls below 97% for three consecutive months, corrective action shall be initiated.

Section 730.525 Transmission Requirements

Local exchange carriers shall furnish and maintain plant, equipment, and facilities to meet the following minimum transmission standards. The transmission standards set forth in this Section are based upon measurements from the network interface at the customer premises through the local loop to a nominal 48-volt central office and measured at a frequency of 1004 hertz.

a) Local line loops shall have a loop resistance not exceeding the operating design of the associated central office equipment. Longer loops may be used by deployment of loop range extenders.

b) All loops are to be maintained to a minimum of 40,000 ohms insulation resistance.

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c) Transmission loss of local loop shall be engineered not to exceed 10 dB when measured in accordance with subsection (a). The local loop transmission loss shall be adjusted to 10 dB or less if it exceeds 10 dB.

d) Transmission loss in analog interoffice trunks shall be engineered not to exceed 7 dB. If the loss exceeds expected design loss by + or - 3.5 dB, it shall be corrected to within 1 dB of the design loss.

e) Transmission loss on analog toll terminating trunks shall be engineered not to exceed 4 dB. If the loss exceeds expected design loss by + or - 3.5 dB, it shall be corrected to within 1 dB of the design loss.

f) Transmission loss on all digital interoffice trunks shall be engineered and maintained not to exceed 6 dB.

g) Loop current shall be maintained at 20 milliamperes or greater.

h) Power influence (Noise to Ground) shall not exceed 90 dBrnc.

i) Circuit noise (Noise Metallic) shall not exceed 30 dBrnc.

Section 730.530 Coin Telephone Service

a) In each exchange, at least one public coin telephone will be available to the public on a 24 hour basis. This coin telephone shall be accessible to the public, be lighted at night, and be provided with a directory.

b) All coin telephones shall be equipped to operate on a "dial tone first" basis.

c) Each coin telephone shall have a notice attached to it informing the customer of the name of the long distance company and alternate operator service provider providing service from it.

Section 730.535 Interruptions of Service

a) On a monthly basis, the local exchange carrier shall clear 95% of all out-of-service troubles up to the customer network interface within 24 hours of the time such troubles are reported, except when such service

interruptions are caused by emergency situations or natural disasters affecting a large number of customers.

b) Required toll-free numbers

1) Each local exchange carrier shall provide to its customers the telephone number to call for repair service. Calls to repair service shall be available without charge. When trouble is apparently located in a connecting company, this trouble report shall be immediately referred to the connecting company.

2) Each local exchange carrier shall provide its business office telephone number to its customers. Calls to the business office shall be available without charge.

c) Each local exchange carrier shall inform the Commission verbally, followed by a written report within 30 days, of any complete central office failure or isolation of an exchange due to toll circuit failure when the failure exceeds one minute. This record shall show the time, duration, extent, and cause of the failure, and shall be retained for a period of one year.

d) Whenever it is necessary to interrupt customer service for the purpose of working on the distribution system or central office equipment, it should be completed with minimal customer impact. Those who will be most seriously affected by such interruption shall be notified in advance.

e) Repair service shall be available at all times for reporting service out of order. Arrangements shall be made to receive customer trouble reports 24 hours daily and to clear out of service trouble at all hours for customers who express an emergency need of service as long as clearing such trouble is consistent with the personal safety of local exchange carrier personnel. An emergency shall consist of an immediate threat to life, limb, or property.

f) Each local exchange carrier shall maintain a record of trouble reports made by its customers. This record shall include appropriate identification of the customer or service affected, the time, date and nature of the

report, the action taken to clear trouble or satisfy the complaint, and the date and time of trouble clearance or other disposition. The company shall retain these records for a period of one year from the date of the report.

g) The local exchange carrier shall maintain service so that the average rate of all customer network trouble reports is no greater than 6 reports per 100 access lines per month.

Section 730.540 Installation Requests

a) The local exchange carrier shall complete 90% of its regular service installations within five working days of the receipt of the application, unless a later date is requested by the applicant.

b) Installation intervals beyond five working days may be appropriate in those instances where installation forces are busy restoring services due to interruption caused by emergency situations, where materials cannot be obtained through no fault of the company, and during unusual rush periods caused by weather or by work stoppages.

c) On a company basis, 92% of the local exchange carrier's regular service order installation commitments shall be met, excepting customer-caused delays or natural disasters. When, for company reasons, the service installation date cannot be made, the applicant will be notified, where possible, of the delay, the reason for delay, and the approximate date when the service installation will take place.

SUBPART F: SAFETY

Section 730.600 Safety Program

Each local exchange carrier shall adopt and implement a safety program, fitted to the size and type of its operations. At a minimum, the safety program shall:

a) Require employees to use suitable tools and equipment in order that they may perform their work in a safe manner;

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b) Instruct employees in safe methods of performing their work; and

c) Instruct employees who, in the course of their work, are subject to the hazards of electric shock, asphyxiation, or drowning, in accepted methods of cardiopulmonary resuscitation.

Section 730.605 Accident Reports

Accidents shall be reported in accordance with 83 Ill. Adm. Code 220.

SUBPART G: BOUNDARIES

Section 730.700 Map Requirements

Each local exchange carrier shall have on file with the Commission an exchange area boundary map for each of its exchanges within the State of Illinois.

Section 730.705 Map Specifications

a) A local exchange carrier boundary map filed after the effective date of this Part shall be in accordance with a certificate of service authority. Any exchange boundary map revision which changes the boundary of the exchange shall be by petition (see 83 Ill. Adm. Code 200). A new certificate of service authority will be issued for any exchange in which area is to be added or withdrawn.

b) Each map shall have a scale of one inch to the mile and show the location of highways, railroads, waterways, section lines, and geographical township and range lines. The maps shall contain detail as shown on county maps which are available from the Illinois Department of Transportation.

c) Each map shall show the boundary lines of the area which the local exchange carrier holds itself out to serve in connection with the exchange. Exchange boundary lines shall be located by appropriate measurement to an identifiable location where that portion of the boundary line is not otherwise located on section lines, waterways, railroads, or roads.

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d) The name of the local exchange carrier filing the map shall be placed at the left side of the top of the map, and the name of the exchange followed by the words "(Name of carrier) Exchange Area Boundary Map" shall be placed at the right side of the top of the map. The first filing of a map shall be designated by the word "Original" placed just below the words "(Name of carrier) Exchange Area Boundary Map". If the map is subsequently refiled, the words "First Revisions" shall be substituted for the word "Original," and on each subsequent refiling the next higher number shall be substituted for the number preceding the word "Revision" on the last map filed. The docket number and the date of the order granting a certificate of service authority shall also appear at the right side near the top of the map.

Section 730.710 Application for Certificate

Each application for a certificate of service authority shall be accompanied by the appropriate exchange area boundary map(s) as exhibit(s) attached to the petition. Each local exchange carrier filing for a certificate covering an original or revised exchange area shall submit a verified statement that the original or revised boundary lines have been agreed to by any other local exchange carrier adjoining the boundary line to be established or changed.

Section 730.715 Service Outside Exchange Boundaries

a) No telecommunications service will be established outside the exchange boundary of the exchange which normally would provide service except on an emergency temporary basis or after receiving a Certificate of Exchange Service Authority.

b) In cases where local exchange telecommunications service is provided outside the exchange boundary of the normal serving exchange without authorization of the Commission (other than foreign exchange service) and the location of the service is in the exchange of another local exchange carrier certificated by this Commission, the service shall be discontinued as soon as facilities are made available from the exchange in which the service is located. The customer whose service is affected by this Section shall be given at least 90 days notice prior to the time service can be provided from the proper telephone exchange.

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Section 730.720 Map Maintenance

Each local exchange carrier shall maintain and make available for public inspection a map of each exchange served.

Section 730.725 District Boundaries

When it is necessary to revise district boundaries, customers affected by such change shall be given notice in accordance with 83 Ill. Adm. Code 735.180(k), and those objecting to the change may file a complaint with the Commission in accordance with 83 Ill. Adm. Code 735.200. The local exchange carriers, as a result of such complaints, shall provide the Commission with data supporting district boundary changes.

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1) Heading of the Part: Standards of Service for Telephone Utilities (General Order 197)

2) Code Citation: 83 Ill. Adm. Code 730

3)

Section Number:	Proposed Action:	Section Number:	Proposed Action:
730.101	Repeal	730.509	Repeal
730.102	Repeal	730.510	Repeal
730.103	Repeal	730.511	Repeal
730.201	Repeal	730.601	Repeal
730.202	Repeal	730.602	Repeal
730.203	Repeal	730.603	Repeal
730.401	Repeal	730.604	Repeal
730.402	Repeal	730.605	Repeal
730.403	Repeal	730.606	Repeal
730.404	Repeal	730.607	Repeal
730.405	Repeal	730.608	Repeal
730.406	Repeal	730.609	Repeal
730.407	Repeal	730.610	Repeal
730.408	Repeal	730.611	Repeal
730.409	Repeal	730.701	Repeal
730.501	Repeal	730.702	Repeal
730.502	Repeal	730.703	Repeal
730.503	Repeal	730.801	Repeal
730.504	Repeal	730.802	Repeal
730.505	Repeal	730.803	Repeal
730.506	Repeal	730.804	Repeal
730.507	Repeal	730.805	Repeal
730.508	Repeal		

4) Statutory Authority: Implementing Section 8-301 and authorized by Section 10-101 of The Public Utilities Act (Ill. Rev. Stat. 1989, ch. 111 2/3, pars. 8-301 and 10-101).

5) A Complete Description of the Subjects and Issues Involved: Part 730 currently contains the Commission's standards of service for telephone utilities.. This Part pre-dates the amendment of The Public Utilities Act which became effective on January 1, 1986. The Commission is proposing repeal of the current Part 730 and the adoption of a new Part 730 to reflect amendments to The Public Utilities Act and reflect new terminology and technology in the field of telecommunications.

6) Will this proposed repealer replace an emergency repealer currently in effect? No.

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7) Does this rulemaking contain an automatic repeal date: No.

8) Does this proposed repealer contain incorporations by reference? No.

9) Are there any other proposed amendments pending on this Part? No.

10) Statement of Statewide Policy Objectives: This proposed repeal neither creates nor expands any state mandate on units of local government, school districts, or community college districts.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking:

Any person who plans to submit comments should file a notice of intent thereof, within 21 days of the date of this issue of the Illinois Register with:

Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, IL 62706

Comments should be filed with the Chief Clerk within 45 days of the date of this issue of the Illinois Register.

12) Initial Regulatory Flexibility Analysis:

A) Date repeal was submitted to the Business Assistance Office of the Department of Commerce and Community Affairs: January 28, 1991

B) Types of small businesses affected: This repeal will affect those local exchange carriers that are also small businesses as defined in the Illinois Administrative Procedure Act.

C) Reporting, bookkeeping or other procedures required for compliance: Reporting procedures.

D) Types of professional skills necessary for compliance: Managerial and engineering skills.

The full text of the Proposed Repealer begins on the next page:

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NOTICE OF PROPOSED REPEALER

TITLE 83: PUBLIC UTILITIES
CHAPTER I: ILLINOIS COMMERCE COMMISSION
SUBCHAPTER f: TELEPHONE UTILITIES

PART 730
STANDARDS OF SERVICE FOR TELEPHONE UTILITIES
(GENERAL ORDER 197) (REPEALED)

SUBPART A: GENERAL

Section	
710.101	Authorization of Rules
730.102	Application of Rules
730.105	Definitions

SUBPART B: RECORDS AND REPORTS

Section	
730.201	Location of Records
730.202	Preservation of Records
730.203	Reports

SUBPART C: ENGINEERING

Section	
730.401	Construction
730.402	Maintenance of Plant and Equipment
730.403	Grade of Service
730.404	Inter-Exchange Trunks
730.405	Grounded Circuits
730.406	Selective Ringing
730.407	Switching Service
730.408	Emergency Operation
730.409	Construction Work Near Utility Facilities

SUBPART D: METERING, INSPECTIONS, AND TESTS

Section	
730.501	Provisions for Testing
730.502	Meter Reading Records
730.503	Meter Reading Interval
730.504	Meter and Recording Equipment Test Facilities
730.505	Meter and Recording Equipment Requirements
730.506	Initial Test
730.507	As-Found Tests
730.508	Routine Tests

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730.509 Request Tests
730.510 Referee Tests
730.511 Test Records

SUBPART E: STANDARDS OF QUALITY OF SERVICE

Section
730.601 Adequacy of Service
730.602 Basic Utility Obligations
730.603 Traffic Rules
730.604 Answering Time
730.605 Dial Service Requirements
730.606 Inter-Office Trunks
730.607 Transmission Requirements
730.608 Minimum Transmission Objectives
730.609 Public Telephone Service & Mobile Telephone Service
730.610 Interruptions of Service
730.611 Installation Requests

SUBPART F: SAFETY

Section
730.701 Protective Measures
730.702 Safety Program
730.703 Reporting Accidents

SUBPART G: BOUNDARIES

Section
730.801 Map Requirements
730.802 Map Specifications
730.803 Application for Certificate
730.804 Service Outside Exchange Boundaries
730.805 Map Maintenance
730.725 District Boundaries

AUTHORITY: Implementing Section 8-301 and authorized by Section 10-101 of The Public Utilities Act (Ill. Rev. Stat. 1989, ch. 111 2/3, pars. 8-301 and 10-101).

SOURCE: Filed November 6, 1970; amended at 7 Ill. Reg. 2147, effective February 4, 1983; codified at 8 Ill. Reg. 12191; repealed at Ill. Reg. , effective .

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SUBPART A: GENERAL

Section 730.101 Authorization of Rules

The law governing the operation of the Illinois Commerce Commission provides that the Commission shall have the power to make such reasonable rules as it deems necessary to carry out the provisions of this law.

Section 730.102 Application of Rules

a) The telephone service rules promulgated by the Illinois Commerce Commission shall apply to all telephone companies in the State of Illinois that are subject to the jurisdiction of the Commission.

b) The rules promulgated by the Commission shall establish reasonable standards to the end that quality telephone service, i.e., that which is adequate and satisfactory, is rendered to the telephone using public in the transmission of both local and long distance messages.

c) If unreasonable hardship to a telephone user or telephone subscriber, or to a serving telephone company results from complying with any Commission rule, application may be made to the Commission for modification of the rule, or for temporary exemption from its requirement.

d) The adoption of these rules by the Commission shall in no way preclude it from altering or amending them pursuant to applicable statutory procedures, nor shall the adoption of these rules preclude the Commission from granting temporary exemptions from its regulations in exceptional cases.

e) The rules of the Commission shall in no way relieve any telephone company from any of its duties under the laws of the State of Illinois.

Section 730.103 Definitions

In the interpretation of this Part, the following definitions shall be used:

"Application" - shall mean a request made verbally or in writing for telephone service and shall include a request for a change in existing service.

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"Auxiliary Line Service" - is additional individual line service furnished to supplement the main individual line service of a telephone subscriber.

"Average Busy Season-Busy Traffic" - the average traffic volume for the busy season, busy hour.

"Base Rate Area" - a specific area within which local telephone exchange service, other than rural line service, is furnished at rates quoted in the Local Exchange Service Tariffs without extra mileage charges.

"Business Service" - is telephone service provided a subscriber where the use is primarily or substantially of a business, professional, institutional or otherwise occupational nature.

"Busy Hour" - the two consecutive half-hours each day during which the greatest volume of traffic is handled in the office.

"Busy Season" - that period of the year during which the greatest volume of traffic is handled in the office.

"Calls" - customers' telephone messages attempted.

"Central Office" - a switching unit, in a telephone system which provides service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting subscriber lines and/or trunks only. There may be more than one central office in a building.

"Central Office Area" - is a geographical area within which the subscriber's lines are connected to a central office operating unit or units, established by the telephone company to serve that area.

"Certificate" - a certificate of public convenience and necessity.

"Channel" - a path for communication between two or more stations or telephone company offices, furnished in such a manner as the telephone company may elect, whether by wire, radio or a combination thereof and whether or not by a single physical facility or route.

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"Class of Service" - There are two classes of service, business and residence. The classes are further subdivided into grades, such as one or two-party, and types, such as PBX, WATS, etc.

"Commission" - the Illinois Commerce Commission.

"Community Service" - an optional service provided to individual line customers in an exchange which service includes telephone calls to specified other exchanges without toll message charges.

"Customer" - any person, firm, partnership, corporation, municipality, cooperative, organization, governmental agency, etc., provided with communication services by any telephone company.

"Customer Complaint" - any oral or written comment from a subscriber or user of telephone service which expresses dissatisfaction with the operation of telephone service, billing telephone company policies, treatment by employees, or delays in filling orders for telephone service.

"Customer Trouble Report" - any oral or written report from a subscriber or user of telephone service relating to a physical defect or to difficulty or dissatisfaction with the operation of telephone facilities. One report shall be counted for each oral or written report received even though it may duplicate a previous report or merely involve an inquiry concerning progress on a previous report. Also, a separate report shall be counted for each telephone or PBX switchboard position reported in trouble when several items are reported by one customer at the same time unless the group of troubles so reported is clearly related to a common cause.

"Dial Tone First" - coin telephone service which enables calls to be completed from a coin telephone (prepay, post pay or semi-post pay) to the operator ("9-1-1", service codes, etc. where applicable) without first depositing a coin.

"Exchange Service" - means telephone service furnished by means of exchange plant and facilities to interconnect telephones within the Exchange Service Area, and to connect telephones within that area to the toll facilities serving it.

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"Exchange Service Area" - a unit established by a telephone company for the administration of telephone service in a specified area for which a separate local rate schedule is provided. It usually embraces a city, town, or village and its environs. It consists of one or more central offices together with associated plant used in furnishing communication services in that area.

"Exchange Station" - means communication equipment with an individual exchange or extension number located within an Exchange Service Area which may be called by dial or otherwise from any other Exchange Station.

"Extended Area Service" - is exchange service in which the local calling area, i.e., the area in which all customers may call without the payment of a toll charge, includes one or more other local calling areas in addition to the normal serving exchange, as specified in the local exchange tariff.

"Extension Station" - an additional station connected on the same circuit as the main station and subsidiary thereto.

"Extra Listing" - is any listing of a name or information in connection with a subscriber's telephone number beyond that to which he is entitled in connection with his regular service.

"Flat Rate Service" - means service furnished at a fixed monthly charge.

"Foreign Exchange Service" - a classification of exchange service furnished under tariff provisions whereby a subscriber may be provided telephone service from an exchange other than the one from which he would normally be served.

"Frozen Service" - is telephone service that is provided to a customer who resides in the territory of another telephone company, or is service which is provided to a customer located in an exchange other than the exchange from which he should normally be served and other than Foreign Exchange Service, or is a class or grade of service which has been withdrawn as a service offering by a telephone company.

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"Local Exchange Service" is telephone communication service provided within local exchange service areas in accordance with approved tariffs. It includes the use of exchange facilities required to establish connections between exchange stations and the toll board, or between exchange stations and toll trunks when such trunks are employed to effect connections with the toll board.

"Local Exchange Service Area" - the area within which a telephone service is furnished subscribers under a specific schedule of exchange rates and without toll charges. A local exchange service area may include one or more exchange service areas or portions of exchange service areas.

"Local Message" - is a completed call between stations located within the same local exchange service area.

"Local Message Charge" - is the charge that applies for a telephone call that is made when the calling station and the stations to which the connection is established are both within the same local exchange service area, and a local message charge is applicable.

"Long Distance Terminal" - is a subscriber's station used exclusively for toll service, and directly connected with a toll switchboard.

"Main Station" - the principal telephone associated with each service to which a telephone number is assigned and which is connected to central office equipment by an individual or party line circuit or channel.

"Map" - a drawing showing a geographical area in which a telephone company furnishes local exchange service. The drawing may include the local base rate area only, or the base rate area and the rural area, or multiple base rate areas and the rural areas.

"Message" - a completed customer telephone call.

"Message Rate Service" - means service for which the subscriber charges are based on message units depending in part upon the number of outgoing messages placed by the subscriber to stations in the same local or extended service area.

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"Message Unit" - is the measurement upon which the charges for telephone connections are based when the calling station with which the connection is established are both within a specific area in which the unit plan of charging is operative.

"Multi-Party Line Service" - a central office line arranged by the telephone company for rendering local exchange service to a number of customers outside the base rate area.

"Outside Plant" - the telephone equipment and facilities installed on, along, over, or under streets, alleys, highways, or on private rights-of-way between the central offices and customer's locations or between central offices.

"Party Line Service" - a central office line arranged to connect more than one customer with the same central office equipment.

"Percentage of Fill" - means the ratio of circuits and equipment in use to the total available.

"Premises" - the space occupied in a single local exchange area by a customer in a building or in adjoining buildings not separated by a public thoroughfare or in a public office building where the customer's office space is all contiguous.

"Private Line" - is a circuit provided to furnish communication only between the two or more telephones directly connected to it, and not having connection with either central office or PBX switching apparatus.

"Public Telephone Service" - is an individual line subscriber service equipped with a coin collecting telephone instrument installed for the use of the general public in locations where the general public has access to these telephones.

"Regrade" - an application for a different class and/or grade of service.

"Report Entity" - a unit established by a telephone company for purposes of efficient administration of repair, dispatch, service order activity, and centralized record keeping; these functions would normally be under

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"Grade of Service" - the number of parties served on a telephone line such as one-party, two-party, four-party, etc.

"Held Order for Service" - means an application for establishment of service not filled within 30 days of the date which the prospective customer desires service.

"Held Order for Regrade" - means an application for regrade of service not filled within 30 days of the date which the customer desires service.

"Individual Line Service" - a classification of exchange service which provides that only one main station shall be served by the circuit connecting such station with the central office equipment.

"Intercept Service" - a service arrangement provided by the telephone company whereby calls placed to a disconnected or discontinued telephone number are intercepted and the calling party informed that the called telephone number has been disconnected or discontinued, or changed to another number, or that calls are being received by another telephone, etc.

"Joint User Service" - is an arrangement whereby an additional person or firm (whose telephone needs, in the judgment of the telephone company, are not such as to require the provision of separate subscriber service) is permitted to use the service of an existing subscriber.

"Line" - a general term used in communication practice in several different senses, the most important of which are:

The conductor or conductors and supporting or containing structures extending between subscriber stations and central offices, or between central offices whether they be in the same or different communities.

The conductors and circuit apparatus associated with a particular communication channel.

Any communication channel between two points disregarding the method of its derivation.

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the direct supervision of one manager and may consist of a part of one or more than one exchange.

"Rural Service" - see "Multi-Party Line Service".

"Rural Service Area" - the territory within the exchange service area which lies outside the base rate area or areas.

"Semi-Public Telephone Service" - is an individual line subscriber exchange service, equipped, with a coin collecting telephone instrument, designed for locations where there is a combination of subscriber and public use.

"Service Station Line" - those facilities that are owned and maintained by a customer or group of customers, and which lines are connected with the facilities of a telephone company for communication service. Excluded, however, are government installations or agencies covered by special service contracts.

"Station" - means a telephone instrument or other terminal device installed for the use of a customer.

"Subscriber" - see "Customer".

"Subscriber Line" - the wires or channels used to connect the telephone equipment at the subscriber's premises with the central office.

"Switching Service" - switching performed for Subscriber Lines.

"Tariff" - the entire body of rates, tolls, rentals, charges, classifications and rules, adopted and filed with the Commission by a telephone company.

"Telephone Company" -- shall mean any person, firm, partnership or corporation engaged in the business of furnishing communication services to the public and as persons or organizations are covered by "An Act concerning public utilities," as amended.

"Telephone Service" - shall mean all communication services provided by telephone companies.

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"Telephone Station" - means the telephone instrument installed for the use of a customer or subscriber.

"Telephone Utility" - see "Telephone Company".

"Tie Trunk" - is a circuit connecting two PBX systems for the purpose of intercommunicating between the stations connected with such PBX switching apparatus.

"Toll Connecting Trunks" - a general classification of trunks carrying toll traffic and ordinarily extending between a local office and a toll office.

"Toll Line" - a line or circuit between central offices in different exchange areas which is used primarily for toll calls.

"Toll Message" - a completed telephone call between stations in different exchanges for which message toll charges are applicable.

"Toll Rate" - means the charge prescribed for toll messages, usually based upon the duration of the message and the distance between the exchanges.

"Toll Service" - is that part of the total telephone company which is furnished between customers in different local service areas in accordance with the rates and regulations specified in the telephone company's toll tariff.

"Toll Station" - see "Long Distance Terminal".

"Traffic" - means telephone call volume, based on number and duration of messages.

"Traffic Grade of Service" - means the percent of customer call attempts which do not encounter an all-trunks-busy condition during the average busy season-busy hour.

"Traffic Study" - the process of recording usage measurements which can be translated into required quantities of equipment and personnel.

"9-1-1 Service" - the 9-1-1 Emergency Number Plan is a service offering which allows a telephone user direct access to an area centralized emergency answering

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location, manned and operated by Public Safety Agencies to dispatch, fire, police and other emergency assistance.

SUBPART B: RECORDS AND REPORTS

Section 730.201 Location of Records

Unless otherwise authorized by the Commission, all records required by this Part shall be kept within the State. Such records shall be made available to the Commission or its authorized representatives at any time upon request.

Section 730.202 Preservation of Records

All records required by this Part shall be preserved in accordance with General Order 188, to be codified as 83 Ill. Adm. Code Part 705, except those of any telephone company that is a "Common Carrier" under The Communications Act of 1934 (47 U.S.C. 151 et seq.) and is required to preserve records in accordance with the rules of the Federal Communications Commission.

Section 730.203 Reports

All reports required by this Part shall be prepared and filed as directed by the Commission.

SUBPART C: ENGINEERING

Section 730.401 Construction

The telephone plant shall be designed, constructed, maintained, and operated in accordance with the provisions as outlined in the current revision of General Order 160, to be codified as 83 Ill. Adm. Code 305, and General Order 185, to be codified as 83 Ill. Adm. Code 265, of the Illinois Commerce Commission.

Section 730.402 Maintenance of Plant and Equipment

a) Each telephone company shall adopt and pursue a maintenance program aimed at preventing service interruptions so as to achieve efficient operation of its system.

b) Maintenance shall include keeping all plant and equipment in the good state of repair consistent with the design capabilities of the plant affected, such as:

1) broken, damaged, or deteriorated parts which are no longer serviceable shall be repaired or replaced.

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2) adjustable apparatus and equipment shall be readjusted as necessary when found to be in an unsatisfactory operating condition.

3) electrical faults, such as leakage or poor insulation, noise induction, crosstalk, or poor transmission characteristics shall be corrected to the extent practicable.

c) Records of various tests and inspections shall be prepared. These records shall show the line or station tested or inspected, the reason for the test, the general conditions under which the test was made, the general result of the test, and such corrections as were made when the test indicated need for same.

Section 730.403 Grade of Service

a) No telephone company shall connect more customers on any line than are contemplated under the grade of service for which the customers on such line are charged.

b) On or before December 31, 1973, all subscriber telephone service shall be a grade of one, two, or four-party service. Not more than four parties shall be connected to any line outside the base rate area and not more than two parties shall be connected to any line within the base rate area. It shall be the objective of all telephone companies to ultimately provide individual line service to all customers. Individual line service shall be available on a flat rate basis on or before December 31, 1973.

Section 730.404 Inter-Exchange Trunks

Inter-exchange trunks or toll circuits shall be full metallic or equivalent (e.g., microwave or carrier).

Section 730.405 Grounded Circuits

Grounded circuits will not be permitted except for signalling purposes.

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Section 740.406 Selective Ringing

Telephone companies providing new dial central offices shall provide, as a minimum, full selective ringing on all two-party and four-party lines and semi-selective ringing on all remaining multi-party lines until upgraded.

Section 730.407 Switching Service

In order to provide and maintain the best possible service for all telephone customers, effective with the adoption of this Part, telephone companies shall not provide exchange or message toll switching service to lines without assurance that such lines do not introduce energy into the network at levels or frequencies that will interfere with other users. Telephone companies shall retain control of the network by regulating all signals.

Section 730.408 Emergency Operation

a) Each telephone company shall make reasonable provisions to meet emergencies resulting from failures of lighting or power service, sudden and prolonged increases in traffic, illness of personnel, or from fire, storm, or other acts of God, and each telephone company shall inform employees as to procedures to be followed in the event of emergency in order to prevent or minimize interruption or impairment of telephone service.

b) It is essential that all central offices have adequate provision for emergency power. Each office will contain a reserve battery supply of 5 hours where emergency power facilities are not installed and 3 hours where they are in place. In offices without installed emergency power facilities, there shall be a mobile power unit available which can be delivered and connected on short notice.

c) In exchanges exceeding 5,000 lines, it is essential that a permanent auxiliary power unit is installed.

Section 730.409 Construction Work Near Utility Facilities

a) Telephone companies upon receipt of written or verbal notification from the property owner or from a contractor of work which may affect its facilities used for serving the public shall investigate and decide what action, if any, must reasonably be taken to protect or alter telephone facilities in order to protect service to the

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public and to avoid any underground facilities which may be affected by its work.

b) The telephone company shall take such action as is reasonable and legally necessary to protect, remove, alter, or reconstruct its facilities, and shall perform such work with reasonable dispatch taking into account the conditions to be met, provided that nothing in this Section shall be deemed to affect any right which the telephone company may have to require advance payment or adequate assurance of payment of the reasonable cost thereof to the telephone company by the property owner or contractor.

c) The telephone company may, in order to protect its interest, require that the owner or contractor perform certain work upon that part of the service piping or wiring on, or being removed from, the property on which the work is being performed. This Section is not intended to affect the responsibility of the contractor or owner, or the liability or legal rights of any party.

d) Coordination of all construction and maintenance work between telephone companies and other public utilities shall be in accordance with General Order 185, to be codified as 83 Ill. Adm. Code 265, of the Illinois Commerce Commission.

e) The telephone company must consider all plans for construction of facilities with regard to their impact on the community or general area which it serves. Each company should annually place at least 85% of its new wire in cable (measured in sheath or conductor miles, as appropriate) out of sight.

SUBPART D: METERING, INSPECTIONS, AND TESTS

Section 730.501 Provisions for Testing

Each telephone company shall provide or have access to test facilities which will enable it to determine the operating and transmission capabilities of channel and switching equipment, either for routine maintenance or for fault location.

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Section 730.502 Metering Records

When meters are used in connection with telephone service the meter reading data and related customer records from which the customers' bills are prepared, shall show:

a) Identifying number or means to determine readily the customer's name, address and service classification.

b) Meter Readings.

c) Date of meter reading.

d) Multiple or constant if used.

Section 730.503 Meter Reading Interval

As nearly as practicable meters shall be read at intervals to correspond to the customer billing period.

Section 730.504 Meter and Recording Equipment and Test Facilities

a) Each telephone company furnishing telephone service, where local exchange billing is based on the number and/or duration of messages, shall provide the necessary facilities and equipment for testing its metering or recording equipment. Any telephone company may be exempted from this requirement by the Commission, provided that satisfactory arrangements are made for test of its meters and recording equipment by another telephone company or approved agency.

b) The over-all accuracy of the test equipment and test procedure shall be sufficient to enable test of meters and recording equipment within the requirements of this Part.

Section 730.505 Meter and Recording Equipment Requirements

All meter and/or recording devices used to record data and prepare customers' bills shall be in good mechanical and electrical condition, shall be accurately read and shall not involve approximations. All meters and/or recording devices shall accurately perform the following:

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a) For message rate service, where timing of length of message is not involved, the meter and/or recording device shall show the number of completed messages sent by the station which it is measuring.

b) For message rate and/or toll service when in addition to recording the calls it is necessary to time the calls, the recording device shall show the number of calls and the talking time involved in each call and the station making such call. Where a meter is associated with the station making the call, the meter shall accumulate the number of message units used for these calls.

c) Where the recording equipment provides coded information that is used to automatically prepare customer bills, accurate interpretation of such coded information is required.

Section 730.506 Initial Test

Every telephone meter and/or recording device shall be tested for accuracy when released for service, either by the manufacturer, the telephone company, or an approved organization equipped for such testing.

Section 730.507 As-Found Tests

All meter and/or recording devices tested in accordance with this Part for routine or complaint shall be tested in their normal operating location and wiring mode prior to removal or adjustment.

Section 730.508 Routine Tests

Each telephone company shall adopt appropriate practices for the periodic testing and maintenance of its controlling trunk equipment associated with the meters and/or recording devices to assure the integrity of their operation.

Section 730.509 Request Tests

Upon request of any customer the telephone company shall make a test of any meter and/or recording device related to his billing, provided such a request is not made more frequently than once every 6 months.

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Section 730.510 Referee Tests

Any customer, by written application to the Commission may have a test of any meter and/or recording device related to his billing, conducted by the telephone company in the presence of a representative of the Commission, provided such request is not made more frequently than once every 6 months.

Section 730.511 Test Records

A record of all meter and/or recording equipment tests and adjustments and data sufficient to allow checking of the results shall be recorded. Such record shall include: The identifying number of the meter and/or recording device; its type; the date and kind of test, and the results of each test.

SUBPART E: STANDARDS OF QUALITY OF SERVICE

Section 730.601 Adequacy of Service

a) Each telephone company shall employ recognized engineering and administrative procedures to determine the adequacy of service being provided to the customer.

b) Traffic studies shall be made and records maintained to the extent and frequency necessary to determine that sufficient equipment and an adequate operating force are provided.

c) Each telephone company shall provide switchboard service 24 hours a day for all exchanges.

d) Each telephone company shall employ adequate procedures for assignment of facilities. The assignment record shall be kept up to date and checked periodically to determine if adjustments are necessary to maintain proper balance in all trunk and equipment groups.

e) Local service furnished by means of line concentrator or subscriber carrier equipment at a given exchange shall be substantially equivalent to that furnished other subscribers at that exchange served by means of normal physical loops.

f) Telephone company employees shall be instructed to be courteous, considerate, and efficient in the handling of all calls and to comply with the provisions of all

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applicable federal and state laws in maintaining secrecy of communications.

Section 730.602 Basic Utility Obligations

a) Each telephone company shall provide telephone service in accordance with its rules and tariffs on file with the Commission. Such service shall meet or exceed the standards set forth herein.

b) Each telephone company has the obligation of continually reviewing its operations to assure the furnishing of service in accordance with the standards set forth in Section 730.602(a).

c) Each telephone company shall maintain records of its operations in sufficient detail as is necessary to permit review and such records shall made be available for inspection by the Commission upon request at any time within the period prescribed for retention of such records.

d) Where a telephone company is generally operated in conjunction with any other enterprise, suitable records shall be maintained so that the results of the telephone operation may be determined upon reasonable notice and request by the Commission.

Section 730.603 Traffic Rules

a) Suitable practices shall be adopted by each telephone company concerning the operating methods to be employed by operators with the objective of providing efficient and pleasing service to the customers.

b) All operator-handled calls shall be carefully supervised and disconnects made promptly.

c) When an operator is notified by a customer that he has reached a wrong number, been cut off, or experienced poor transmission, the customer shall be given credit when the claim has been substantiated.

Section 730.604 Answering Time

Adequate forces shall be provided at operator offices with the objective that:

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a) 95% of local manual calls will be answered within ten seconds.

b) The average speed of answer for toll and assistance calls will be in the range of 90% to 92% within ten seconds. Whenever the answering time falls below 88% on a monthly basis, the company shall take corrective action and provide a report of the matter to the Commission.

c) The average speed of answer for directory assistance and intercept calls will be in the range of 82% to 85% within 10 seconds, or 89% to 92% within twenty seconds. Whenever the answer time falls below 82% within ten seconds, or 89% within twenty seconds, on a monthly basis, the company shall take corrective action.

d) The average speed of answer for ONI (Operator Number Identification) will be in the range of 93% to 95% within five seconds. Whenever the answering time falls below 92% within five seconds on a monthly basis, the company shall take corrective action.

Section 730.605 Dial Service Requirements

a) Where existing central office equipment will permit, and with exception of numbers that are changed coincident with the issuance of a new directory, intercept service will be provided by each telephone company in accordance with the following:

1) In terminal per station offices, intercept services, either operator or mechanical, shall be provided for nonworking and changed numbers until assigned, reassigned or no longer listed in the directory.

2) In terminal per line offices, intercept service shall be provided for changed numbers on single party lines until assigned, reassigned or no longer listed in the directory.

b) Central office capacity and equipment shall be engineered to provide dial tone within three seconds on 98% of calls during the busy hour and this shall be maintained at 95% or above.

c) All new dial central offices shall be engineered on a terminal per station basis or equivalent.

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d) Within 3 years from the effective date of this Part, all central offices with 400 or more lines shall be provided with sufficient intercept equipment to meet the criteria set out in Section 730.605(a) and (b).

e) Each central office shall be equipped with alarms to indicate failures or improper functions.

Section 730.606 Inter-Office Trunks

a) Local inter- and intra-office trunks should be engineered so that at least 98% of telephone calls placed should not encounter an All Trunks Busy condition. When the completion rate falls below 96% for three consecutive months, corrective action shall be initiated and such action reported to the Commission.

b) The trunk and related switching components in the inter-toll network shall be engineered and maintained so that of the properly dialed calls, during the average busy season, 97% of DDD outgoing and 98% of DDD incoming calls shall receive busy tone, ringing signal, or intercept on the first attempt. Whenever the blockages or equipment irregularities reach 6% or more on outgoing trunks or 4% or more on incoming trunks for three consecutive months, appropriate corrective steps shall be taken by the companies involved.

c) Inter-office toll access trunks shall be engineered for completion of 99% of calls without an All Trunks Busy condition. Whenever the completion rate falls below 97% for three consecutive months, corrective action shall be initiated and such action reported to the Commission.

Section 730.607 Transmission Requirements

Telephone companies shall furnish and maintain adequate plant, equipment, and facilities to provide satisfactory transmission of communications between customers in their service area. Transmission shall be at adequate volume levels and free of excessive distortion. Levels of noise and crosstalk shall be such as not to impair communications.

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Section 730.608 Minimum Transmission Objectives

a) The transmission objectives set forth herein are based upon the use of standard telephone sets connected to a 48-volt dial central office and measured at a frequency of 1000 hertz.

b) Local line loops shall have a loop resistance not exceeding the operating design of the associated central office equipment. Longer loops may be used by employment of long line adapters or special equipment.

c) All loops are to be maintained to a minimum of 40,000 ohms insulation resistance.

d) Transmission loss of local loop shall be engineered not to exceed 10 dB when measured in accordance with Section 730.608(a). If the loss exceeds 14 dB it will be corrected to 10 dB or less.

e) When it is necessary to load cables to meet the above requirement, standard loading procedures shall be used and there shall be no bridge taps between load points.

f) Transmission loss in interoffice trunks shall be engineered not to exceed 7 dB. If the loss exceeds 11 dB it will be corrected to 7 dB or better.

g) Transmission loss on toll terminating trunks shall be engineered not to exceed 4 dB. If the loss exceeds 8 dB it will be corrected to 4 dB or less.

h) Overall transmission loss on the toll telephone network will be engineered on the Via Net Loss (VNL) design as described in Notes on Distance Dialing, 1968, or as revised.

Section 730.609 Public Telephone Service & Mobile Telephone Service

a)

1) In each exchange, at least one coin telephone will be available to the public on a 24 hour basis. This coin telephone shall be located in a prominent location, provided with a directory, and lighted at night.

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2) All coin telephones shall be equipped to operate on a "dial tone first" basis as soon as practicable but no later than December 31, 1981.

b) A telephone company providing mobile telephone service may furnish such service to a mobile unit in a vehicle only if the vehicle is principally garaged at an address located within the effective coverage area of the telephone company and, if such address is located within the exchange area boundaries of another telephone company which also furnishes mobile telephone service only with the written consent of that other telephone company, or as approved by the Commission. The foregoing provisions do not preclude a telephone company from furnishing the mobile service customarily furnished by the telephone company to a roaming mobile unit which is a subscriber to another telephone company's mobile service.

Section 730.610 Interruptions of Service

a) Each telephone company shall make all reasonable efforts to prevent interruption of service. When interruptions occur, the telephone company shall reestablish service with the shortest possible delay. The minimum monthly objective should be to shall clear 95% of all out-of-service troubles within 24 hours of the time such troubles are reported, except when such service interruptions are caused by emergency situations or acts of God affecting large numbers of customers. Whenever a telephone company fails to meet the monthly objective hereinabove set forth, it shall report that fact, together with a verified statement of the reasons therefor, to the Commission within 15 days after the end of each such month.

1) Each telephone company shall provide the telephone number to call for repair service, and calls to repair service shall be available without toll or unit charges for calls placed from the exchange in which trouble is experienced. Arrangements shall also be made to take calls for repair service without toll or unit charges from any adjoining exchange in cases where trouble reporting from the adjoining exchange is convenient to the customer. When trouble is apparently located in the connecting company, this trouble report shall be then immediately referred to the connecting company.

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2) Each telephone company shall provide the telephone number to call the business office and calls to the business office shall be available without toll or unit charges for calls placed from any exchange to the business office for that exchange.

3) Calls for repair service or calls to the business office shall be made on lines with a local or toll grade of service.

b) Each telephone company shall inform the Illinois Commerce Commission, as soon as possible, of any complete central office failure or isolation of an exchange due to toll circuit failure.

c) Each telephone company shall keep a record showing all interruptions affecting service to the entire exchange and any important portion of the distributing system. This record shall show the time, duration, extent and cause of the interruption.

d) Whenever the service is interrupted for the purpose of working on the distribution system or central office equipment, this work shall be done at a time which will cause the least inconvenience to subscribers, and those who will be most seriously affected by such interruption shall, so far as possible, be notified in advance.

e) Repair Service shall be available on weekends and holidays as well as weekdays for telephones reported to be out of order. Arrangements shall be made to receive customer trouble reports 24 hours daily and to clear trouble at all hours for customers who express a bona fide emergency need of service if clearing such trouble is consistent with the personal safety of telephone company personnel. An emergency shall consist of an immediate threat to life, limb or property.

f) Each telephone company shall maintain an accurate record of trouble reports made by its customers. This record shall include appropriate identification of the customer or service affected, the time, date and nature of the report, the action taken to clear trouble or satisfy the complaint, and the date and time of trouble clearance or other disposition. This record shall be available to the Commission or its authorized representatives upon request at any time within the period prescribed for retention of such records.

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g) It shall be the objective to so maintain service that the average rate of all customer trouble reports in a report entity is no greater than 7 per 100 telephones per month. A telephone company failing to attain such objective shall, within 30 days, report that fact to the Commission, together with a statement of the causes therefor and of the steps taken or to be taken to attain such objective in subsequent months.

Section 730.611 Installation Requests

a) The telephone company shall normally complete 90% of its regular service (business and residence 1, 2 and 4 party service) installations within five working days. The interval commences with the receipt of application unless a later date is requested by the applicant, and when all tariff requirements related thereto have been complied with. Whenever, due to company reasons, the completion rate by report entity falls below 82% within five working days for three consecutive months, the company shall report to the Commission.

b) Installation intervals beyond five working days may be appropriate in those instances where installation forces are busy restoring services due to interruption caused by emergency situations, where materials cannot be obtained through no fault of the company, and during unusual rush periods caused by seasonal factors due to weather or by work stoppages.

c) On a company basis, 92% of the utility's commitments to customers as to the date of installation of regular service orders (business and residence 1, 2 and 4 party service) shall be met, excepting customer caused delays and acts of God. When, for company reasons, the service installation date cannot be made, the applicant will be notified, where possible, of the delay, the reason therefor, and the approximate date when the service installation will take place. Whenever the installation commitment falls below 90% on a report entity basis for two consecutive months, the company shall report to the Commission.

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d) A regrade order shall normally be filled no later than thirty days after the customer has made application for a different grade of service except where the customer requests a later date. In the event of the utility's inability to so fill such order, the customer will be advised and furnished the date it will be available. Intervals over thirty days are appropriate in those instances requiring outside plant construction work or installation of additional central office equipment.

SUBPART F: SAFETY

Section 730.701 Protective Measures

a) Each telephone company shall exercise reasonable care to reduce the hazards to which its employees, its customers, and the general public may be subjected by its operations.

b) The telephone company shall give reasonable assistance to the Commission in the investigation of the cause of accidents and in the determination of suitable means of preventing accidents.

Section 730.702 Safety Program

Each telephone company shall adopt and execute a safety program, fitted to the size and type of its operations. As a minimum, the safety program should:

a) Require employees to use suitable tools and equipment in order that they may perform their work in a safe manner;

b) Instruct employees in safe methods of performing their work; and

c) Instruct employees who, in the course of their work, are subject to the hazards of electrical shock, asphyxiation or drowning, in accepted methods of artificial respiration.

Section 730.703 Reporting Accidents

Accidents shall be reported in accordance with General Order 43, to be codified as 83 Ill. Adm. Code 220, as amended.

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SUBPART G: BOUNDARIES

Section 730.801 Map Requirements

Each telephone company shall have on file with the Commission an exchange area boundary map for each of its exchanges within the State of Illinois.

Section 730.802 Map Specifications

a) Exchange boundary maps filed after the date of this Part shall be in accordance with a certificate of public convenience and necessity. Any exchange boundary map revisions which revise the boundary of the exchange shall be by formal petition. A new certificate of public convenience and necessity will be issued for any exchange in which area is to be added or withdrawn. Exchange boundary maps may be revised without formal application in cases where revision is desirable and no boundary change is made.

b) Each map shall have a scale of one inch to the mile, shall have a margin of at least two inches at the left side and shall generally show the location of highways, section lines, geographical township and range lines, railroads, and waterways outside municipalities. The maps shall generally contain detail as shown on county maps which are available from the Department of Transportation, State of Illinois which meet these requirements and are recommended for use.

c) Each map shall clearly show the boundary lines of the area which the telephone company holds itself out to serve in connection with the exchange. Exchange boundary lines shall be located by appropriate measurement to an identifiable location where that portion of the boundary line is not otherwise located on section lines, waterways, railroads, roads, etc.

d) The name of the telephone company filing the map shall be placed at the left side of the top of the map, and the name of the exchange followed by the words "Exchange Area Boundary Map" shall be placed at the right side of the top of the map. The first filing of a map shall be designated by the word "Original" placed just below the words "Exchange Area Boundary Map". If the map is subsequently refiled, the words "First Revision" shall be substituted for the word "Original" and on each sub-

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sequent refiling the next higher number shall be substituted for the number preceding the word "Revision" on the last map filed. The docket number and the date of the order granting a certificate of public convenience and necessity shall also appear at the right side near the top of the map.

Section 730.803 Application for Certificate

Each application for a certificate of public convenience and necessity shall be accompanied by the appropriate exchange area boundary map(s) as exhibit(s) attached to the petition. Each telephone company filing for a certificate covering an original or revised exchange area shall submit proof that the original or revised boundary lines have been agreed to by any other telephone company adjoining the boundary line to be established or changed.

Section 730.804 Service Outside Exchange Boundaries

No telephone service will be established outside the exchange boundary from the exchange which provides service except on an emergency temporary basis and authorization for such temporary service shall be requested by letter. In cases where local exchange telephone service is provided outside the exchange boundary of the normal serving exchange (other than Foreign Exchange service) and the location of the service is in that of another telephone exchange certificated by this Commission to the same of another telephone company the frozen service shall be discontinued as soon as facilities are made available from the exchange in which the frozen service is located. The customer whose service is affected by this Section shall be given at least 90 days notice prior to the time service can be provided from the proper telephone exchange.

Section 730.805 Map Maintenance

Each telephone company shall maintain and keep open to public inspection in each of its business offices a copy of the Exchange Area Boundary Map for each exchange served by such office.

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1) Heading of the Part: Public Use of Historic Sites and Properties

2) Code Citation: 17 Ill. Adm. Code 4160

3)

Section Numbers:	Proposed Action:
4160.10	New Section
4160.20	New Section
4160.30	New Section
4160.40	New Section
4160.50	New Section
4160.60	New Section
4160.70	New Section
4160.80	New Section
4160.90	New Section
4160.100	New Section
4160.110	New Section
4160.120	New Section
4160.130	New Section
4160.140	New Section
4160.150	New Section
4160.160	New Section
4160.170	New Section
4160.180	New Section

4) Statutory Authority: Historic Preservation Agency Act (Ill. Rev. Stat. 1989, Ch. 127, par. 2701 et seq)

5) A Complete Description of the Subjects and Issues Involved: Lawful and unlawful use of historic sites and properties.

6) Will this proposed rule replace an emergency rule currently in effect? Yes.

7) Does this rulemaking contain an automatic repeal date? No.
If "yes," please specify the date: _____

8) Does this proposed rule (amendment, repealer) contain incorporations by reference? Yes.

9) Are there any other proposed amendments pending on this Part? No.

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10) Statement of Statewide Policy Objectives: To preserve and interpret the historical resources owned and managed by the State of Illinois.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: In writing to: Assistant Superintendent, Historic Sites Division, Illinois Historic Preservation Agency, Old State Capitol, Springfield, Illinois 62701.

12) Initial Regulatory Flexibility Analysis:

A) Date rule was submitted to the Business Assistance Office of the Department of Commerce and Community Affairs: January 16, 1991.

B) Types of small business affected: None.

C) Reporting, bookkeeping or other procedures required for compliance: Application for permits.

D) Types of Professional skills necessary for compliance: None.

The full text of the Proposed Rule(s) begins on the next page:

ILLINOIS HISTORIC PRESERVATION AGENCY

NOTICE OF PROPOSED RULES

TITLE 17: CONSERVATION
CHAPTER VI: HISTORIC PRESERVATION AGENCY

PART 4160
PUBLIC USE OF HISTORIC SITES AND PROPERTIES

Section
4160.10 Unlawful Activities
4160.20 Alcoholic Beverages - Possession, Consumption, Influence
4160.30 Animals
4160.40 Boats and Other Watercraft
4160.50 Abandoned Watercraft
4160.60 Capacity of Areas
4160.70 Camping/Campfires
4160.80 Destruction of Property
4160.90 Collection of Artifacts
4160.100 Group Activity
4160.110 Littering
4160.120 Prohibited Fishing Areas/Cleaning of Fish
4160.130 Restricted Areas and Activities
4160.140 Soliciting/Advertising/Renting/Selling
4160.150 Swimming/Wading
4160.160 Vehicles
4160.170 Weapons and Firearms/Display and Use
4160.180 Picnicking/Bicycling/Skate Boarding
4160.190 Violation of Rule

AUTHORITY: Implementing and authorized by the Historic Preservation Agency Act (Ill. Rev. Stat. 1989, ch. 127, par. 2701 et seq)

SOURCE: Adopted at _____ Ill. Reg. _____, effective _____.

Section 4160.10 Unlawful Activities

It shall be unlawful (Sections 4160.20 through 4160.180)

Section 4160.20 Alcoholic Beverages - Possession, Consumption, Influence

a) For any person to possess or consume intoxicating beverages, including beer or wine in any Historic Preservation Agency (Agency)

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controlled property which is posted with signs indicating that such possession or consumption is unlawful.

b) For any person under the age of 21 to possess or consume intoxicating beverages, including beer or wine, in any Historic Preservation Agency controlled property.

Section 4160.30 Animals

a) For any person to allow an unleashed dog, cat, or other domesticated animal on any area and further for any person to allow any dog, cat or other domesticated animal in any area, on a leash longer than 10 feet except for dogs being trained for official police work; such training must receive the written approval of the site manager.

b) For any leashed animal to be left unattended and not under the specific physical control of the owner or person designated by the owner. The owner or person designated by the owner for dogs or other animals must have proof that their animal has a current rabies inoculation certificate or a valid license.

c) For any person to keep a noisy, or vicious, or dangerous dog or animal or one which is disturbing to other persons, on Agency controlled properties, and to remain therein after being instructed by site staff to remove the animal from the premises.

d) For any person to ride or lead any horse in any area, other than designated bridle paths or equestrian areas, except that horses are permitted at special events authorized by the Agency.

e) For any person to allow livestock to roam or graze on any Agency controlled lands except when authorized by proper lease, license or agreement approved by the written Agency.

f) For any person responsible for an animal in a campground or day use area not to dispose of his animal's waste excrement directly into an Agency garbage container with a tight fitting lid or have the excrement put into a closed water tight bag or water tight container with the lid closed and placed into an Agency trash container.

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g) For any person to allow a dog, cat, or other domesticated animal on any area designated as "NO PETS." Such designation will be reserved for beach areas, concession areas, and certain areas within campgrounds and picnic areas where there are concentrations of large numbers of people or the presence of food or children.

Section 4160.40 Boats and Other Watercraft

a) For any person to operate any sailboat, rowboat, houseboat, pontoon boat, or boat propelled by machinery or other watercraft in any pond, lake, river, canal, or other body of water where posting clearly indicates that certain specific boating usage is prohibited. However, Agency employees operating watercraft in carrying out official duties and personnel of cooperating agents or agencies operating watercraft as authorized by the Agency are exempt from boating regulations in this Section or in specific site rules as determined by Agency supervisory managers in order to provide management actions for enhancing or saving the resource base or the safety and welfare of the using public.

b) For any person to use a motor driven boat on any body of water under the jurisdiction of the Agency that has less than 60 surface acres. However, this does not exclude the use of electric trolling motors on these bodies of waters.

c) For any person to use a motor driven boat with a motor of a size larger than 10 H.P. on any body of water under the jurisdiction of the Agency that has 60 or more surface acres of water area except Agency supervised waters of over 500 acres and portions of canals having specific regulations posted on boat motor size and boat use allowed.

d) For any person to allow his boat or other watercraft to remain on any of the public recreational and fishing areas under the jurisdiction of the Agency beyond the date of December 1st of each year.

Section 4160.50 Abandoned Watercraft

It shall be unlawful for any person to abandon a watercraft on property owned, leased or managed by the Agency.

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a) Abandoned watercraft is defined as a watercraft left unattended for a single period longer than six hours on Agency-managed land or water at an area which is not authorized for boat docking.

b) The Agency shall have the power to remove any abandoned watercraft and store said watercraft until claimed by the owner and fees of $15.00 for removal and $5.00 for each day's storage are paid. The fees paid for removal and storage are separate from any criminal penalty and do not affect criminal prosecution.

c) Violation of this Part shall be a Class B misdemeanor.

Section 4160.60 Capacity of Areas

a) For any person to violate the rules and regulations pertaining to posted usage capacity of campgrounds, picnic grounds, or other areas where limited facilities make it necessary to control use by persons and/or motor vehicles. Site Managers and other peace officers are authorized to close such facilities to additional persons until such time as the number of users falls below the capacity posted within the area.

b) For any person to violate the posted closing period for any site except as permitted for special events or in writing by the Agency.

Section 4160.70 Camping/Campfires

a) For any person to use a tent or trailer, or any other type of camping device except in designated camping areas, and persons camping in such designated areas shall obtain a camping authorization slip from authorized site personnel.

b) For any person to build any fire in any area except in campstoves provided by the Agency or in charcoal or other types of metal grills which are furnished by the visitor at a specific campfire site designated by the Agency.

Section 4160.80 Destruction of Property

a) For any person to injure or remove any animal, plant or part thereof, or attempt to disturb any agricultural crop, except as otherwise

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provided by permit, law, regulation, or by Agency program activity under the direct supervision of an authorized employee.

b) For any person to remove, take, mutilate, deface or destroy any natural or manmade property, equipment, improvement, sign or building, except as otherwise provided by permit, law, regulation, or by Agency program activity under the direct supervision of an authorized employee.

Section 4160.90 Collection of Artifacts

For any person to collect or take artifacts and/or mutilate, destroy, deface, or excavate any archaeological site except as provided by written permit issued by the Agency.

Section 4160.100 Group Activity

For groups of persons under the age of 18, to attend or use Agency facilities without the presence of one adult per each group of 15 persons under the age of 18.

Section 4160.110 Littering

a) For any person using Agency facilities to discard, abandon, place, or deposit on Agency properties, except in containers provided, any wire, cans, bottles, glass, paper trash, rubbish, garbage, cardboard, wood boxes or other insoluble animal, vegetable, metal, or mineral materials.

b) For any person to bring into Agency property any of the items listed in Section 4160.110 above with the express purpose of disposing, abandoning, or leaving any of these types of materials on Agency property, whether they are left or placed in proper containers or not.

Section 4160.120 Prohibited Fishing Areas/Cleaning of Fish

For any person to take fish from the waters of any Agency controlled area contrary to the rules and regulations of the Agency in accordance with the Fish Code of Illinois (Ill. Rev. Stat. 1989, ch. 56, par. 141 et seq), and further, any fish or parts of fish remaining from cleaning must be placed in a proper refuse

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container with a tight fitting lid or removed from the area upon leaving.

Section 4160.130 Restricted Areas and Activities

a) For any person to enter or remain in any area when such area has, in whole or in part, been closed to use by visitors. Site Managers and other peace officers are authorized to prohibit the use of such closed areas, and it shall be unlawful for any person to disobey the rules and regulations posted relative to such closed areas.

b) For any person to enter or remain on any portion of a dedicated nature preserve area where posted rules and regulations prohibit such entry to protect the natural fauna or flora within such area.

c) For any person to operate a metal or mineral detection device on property owned or managed by the Agency.

d) For any person to operate a chain saw or sound amplification system which would draw on the site's electrical system in any area which as been closed to such use. Site Managers of the Agency shall prohibit such use in any area that does not allow the collecting of firewood, has experienced illegal cutting of timber or at which the noise will disturb other site users.

e) For any person to enter posted areas of archaeological importance except by designated trails and paths.

Section 4160.140 Soliciting/Advertising/Renting/Selling

a) For any person to place signs or distribute advertising of any type on Agency owned or managed property without first obtaining a written permit from the Agency.

b) For any person to make sales or rentals of any kind or solicit sales or rentals of any kind including placing signs, distributing advertisement in connection with these sales and/or rentals on Agency property without first obtaining a written permit, lease and/or license from the Agency or in the case of lands managed by the Agency without first obtaining a written permit, lease and/or license from the owner of the property and the written approval of the Agency.

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Section 4160.150 Swimming/Wading

For any person to swim/wade or bodily enter into the water at any location. The exceptions to this rule include only the following:

a) areas designated by posting as allowing swimming. Where lifeguards are not posted, no person under 17 years of age may swim or be on the beach without supervision of a parent, guardian, or responsible adult present, or

b) areas where an Agency employed lifeguard is on duty, or areas posted for other uses such as waterfowl hunters, water skiers, wading anglers, or scuba divers.

Section 4160.160 Vehicles

a) For any person to operate any motor vehicle other than on roadways specifically posted as trafficways by the Agency except that Site Managers shall, if it is to the Agency's benefit, grant written permission to individuals or contractors to operate vehicles on other than roadways specifically posted as trafficways. These exceptions will include, but not be limited to, access by lessees to leased property or adjacent private property; access by contractors to the contract work site(s); access by volunteers to project or program areas which assist the site.

1) For any person to operate a snowmobile in any area other than on posted trails except that Site Managers shall, if it is to the Agency's benefit, grant written permission to individuals to operate snowmobiles on other than posted trails. These exceptions will include, but not be limited to, access by lessees to leased property or adjacent private property; access by contractors to the contract work site(s); access by volunteers to project or program areas which assist the site.

2) For any person to operate any motor driven bicycle, mini-bike, motorcycle, or off-road vehicle unless it is on a roadway designated by vehicular use or on a designated area established by the Agency for off-road vehicular use, except that Site Managers shall, if it is to the Agency's benefit, grant written permission to individuals to

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road vehicular use. These exceptions will include, but not be limited to, access by lessees to leased property or adjacent private property; access by contractors to the contract work site(s); access by volunteers to project or program areas which assist the site.

b) To exceed a speed of 20 M.P.H. unless it is otherwise posted by sign on any paved, concrete, asphalt, or other all-weather roadway, or to exceed 10 M.P.H. unless otherwise posted by sign on any unpaved, gravel, or dirt roadway or in any parking area.

c) For any person to park a motor vehicle in any prohibited area which is posted with signs, or to park a vehicle in any area for the purpose of repair, except those immediate repairs necessary to remove the vehicle from the area immediately.

d) To exceed a combined vehicle and content weight limit of 50,000 lbs. unless it is otherwise posted by sign on any Agency roadway except that Site Managers shall, if it is to the Agency's benefit, grant written permission to individuals or contractors to operate such vehicles on posted roadways. These exceptions will include, but not be limited to, access by lessees utilizing farm equipment to get to leased property or adjacent private property; access by contractors to the contract work site(s); access by vendors delivering materials.

e) It is unlawful for any person to operate a snowmobile in any portion of a site or recreation area with less than four inches of snow cover.

f) For any vehicle to be left or abandoned on Agency property. Vehicles left unattended for a period of 24 hours on any Agency road, parking lot, shoulder, or other property will be towed from the site at the owner's expense.

Section 4160.170 Weapons and Firearms/Display and Use

For any person, other than authorized peace officers, to display or use on Agency-controlled lands, except as authorized by the Agency on hunting, field trial, target, or special event areas, any gun including shotgun, rifle, pistol, revolver, air or BB gun, sling shot, bow and arrow, switchblade knife with spring loaded blade, throwing knife, tomahawk or throwing axe, or martial arts devices. For purposes of historic interpretation, however, period weapons, or reproductions of such weapons, may be displayed or used within the context of reenactment.

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Section 4160.180 Picnicking/Bicycling/Skate Boarding

For any person to violate the posted rules and regulations pertaining to the designated locations and hours for activities such as picnicking, bicycling, and skate-boarding. Such activities shall be limited to only those areas and times designated for them.

Section 4160.190 Violation of Rule

a) Any person who violates any provisions of this rule (Section 4160.20 through Section 4160.180) shall be guilty of a Class B Misdemeanor.

b) Any person who violates any provision of this rule (Section 4160.20 through Section 4160.180) shall be subject to arrest and/or removal from the premises under applicable statutes including Section 21-5 of the Criminal Code of 1961 (Ill. Rev. State., 1989, ch. 38, par. 21-5), Criminal Trespass to State Supported Land.

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

1) Heading of the Part: Funeral Directors and Embalmers Act

2) Code Citation: 68 Ill. Adm. Code 1250

3)

Section Numbers:	Proposed Action:	Section Numbers:	Proposed Action:
1250.110	Amendment	1250.160	Amendment
1250.120	Amendment	1250.170	Amendment
1250.130	Amendment	1250.190	Repeal
1250.135	New Section	1250.200	Amendment
1250.140	Amendment	1250.205	Amendment
1250.150	Amendment	1250.210	Amendment
1250.155	New Section	1250.220	New Section

4) Statutory Authority: Ill. Rev. Stat. 1989, ch. 111, pars. 2801-2812, 2814.2-2823, 2824.01-2824.11, 2837.

5) A Complete Description of the Subjects and Issues Involved: This rulemaking, in part, implements P.A. 86-509, which amended the Funeral Directors and Embalmers Licensing Act of 1935.

The two most significant changes are a move to a dual license for funeral directors and embalmers and the requirement that licensees secure continuing education (CE) credits prior to license renewal. Currently, most funeral service licensees in Illinois maintain a funeral director license and an embalmer license. Some maintain a funeral director license only. Those with the dual licenses will be issued only one license for funeral director and embalmer. Those with only the funeral director license will continue to renew and receive a funeral director license. There will be no new funeral director licenses issued--only the renewal and reinstatement of those currently in place.

Section 1250.135 has been added to explain how an applicant can obtain a license as a funeral director and embalmer. Procedures for applying for a license as a funeral director and embalmer trainee are explained in Section 1250.120. A requirement that a recent photograph be submitted with an application was eliminated and the work history has been added.

Section 1250.110 was updated to show that all mortuary science programs accredited by the American Board of Funeral Service Education, Inc. as of January 1, 1990, meet minimum criteria for approval by the Department.

Section 1250.155 was added to explain how a licensee can have his license placed on inactive status.

New CE requirements have been added to the sections on Renewals (1250.200) and Restoration (1250.160).

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Section 1250.190 pertaining to Violations, was repealed since that material is covered in the Act.

New Section 1250.220 outlines how and where CE requirements can be met. Every holder of a funeral director and embalmer license must complete 24 hours of CE prior to submitting a license renewal form in May, 1993. A holder of a funeral director ~~only~~ license must complete 12 hours of CE prior to submitting the license renewal form in May, 1993. Procedures for becoming an approved CE Sponsor have also been set forth in this Section.

6) Will this proposed Amendment replace an emergency Amendment currently in effect? No.

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed Amendment contain incorporations by reference? No

9) Are there any other proposed Amendments pending on this Part? No

10) Statement of Statewide Policy Objectives (if applicable): This rulemaking has no impact on local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking:

Interested Persons may submit written comments and views to:

Department of Professional Regulation
Attention: Jean A. Courtney
320 West Washington, 3rd Floor
Springfield, IL 62786
217/785-0800

All comments received within 30 days of this issue of the Illinois Register will be considered. The comments of interested persons who submit a request to comment within 14 days of this issue will be considered if received within 30 days of such request.

12) Initial Regulatory Flexibility Analysis:

A) Date rule was submitted to the Business Assistance Office of the Department of Commerce and Community Affairs: January 28, 1991.

B) Types of small businesses affected: Funeral directors and embalmers. Providers of continuing education.

DEPARTMENT OF PROFESSIONAL REGULATION

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C) Reporting, bookkeeping or other procedures required for compliance: Every funeral director and embalmer will be required to certify to completion of CE requirements on their renewal application. CE sponsors will be required to verify attendance at each course or program and provide a certificate of completion to the participants.

D) Types of professional skills necessary for compliance: Licensed funeral directors and embalmers.

The full text of the Proposed Amendments begins on the next page:

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

TITLE 68: PROFESSIONS AND OCCUPATIONS
CHAPTER VII: DEPARTMENT OF PROFESSIONAL REGULATION
SUBCHAPTER b: PROFESSIONS AND OCCUPATIONS

PART 1250
FUNERAL DIRECTORS AND EMBALMERS ACT

Section

1250.110 Approved Programs of Mortuary Science
1250.120 Application for Traineeship
1250.130 Requirements of Traineeship
1250.135 Application for Licensure
1250.140 Examination
1250.150 Reciprocity
1250.155 Inactive Status
1250.160 Restoration
1250.170 Requirements for a Preparation Room
1250.180 Required Activities (Repealed)
1250.190 Violations (Repealed)
1250.200 Renewals
1250.205 Advertising
1250.210 Granting Variances
1250.220 Continuing Education

AUTHORITY: Implementing The Funeral Directors and Embalmers Licensing Act of 1935 (Ill. Rev. Stat. 1989, ch. 111, par. 2800 et seq.) and authorized by Section 60(7) of The Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989, ch. 127, par. 60(7)).

SOURCE: Rules and Regulations for the Administration of the Illinois Funeral Directors and Embalmers Act, effective March 19, 1975; amended at 4 Ill. Reg. 30, p. 1238, effective July 10, 1980; codified at 5 Ill. Reg. 11034; repealed and new rules adopted at 6 Ill. Reg. 4203, effective April 26, 1982; emergency amendment at 7 Ill. Reg. 7675, effective June 14, 1983, for a maximum of 150 days; amended at 9 Ill. Reg. 4529, effective March 27, 1985; transferred from Chapter I, 68 Ill. Adm. Code 250 (Department of Registration and Education) to Chapter VII, 68 Ill. Adm. Code 1250 (Department of Professional Regulation) pursuant to P.A. 85-225, effective January 1, 1988, at 12 Ill. Reg. 2931; amended at 13 Ill. Reg. 14061, effective August 29, 1989; amended at 15 Ill. Reg. ____, effective _____.

Section 1250.110 Approved Programs of Mortuary Science

a) The Department of Professional Regulation (the "Department") shall approve a program of mortuary science as reputable and in good standing if it meets the following minimum criteria:

DEPARTMENT OF PROFESSIONAL REGULATION

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1) The educational institution is legally recognized and authorized by the jurisdiction in which it is located to provide courses in mortuary science.

2) Has a faculty which comprises a sufficient number of full-time and part-time instructors to make certain that the educational obligations to the student are fulfilled. The faculty must have demonstrated competence in their area(s) of teaching as evidenced by appropriate degrees from recognized professional colleges or institutions;

3) Has one of the following:

A) Has a course of study of at least 12 months ~~one calendar year~~ with at least the following curriculum:

Anatomy
Restorative Art
Microbiology
Embalming
Sociology
Psychology

B) A course of study ~~of at least 21 months~~ resulting in an associate's degree in mortuary science or an ~~its~~ equivalent associate's degree (i.e. applied science), consisting of courses in liberal arts and sciences as well as the curriculum described in subsection (a)(3)(A), above.

C) A course of study resulting in a baccalaureate degree in mortuary science.

4) Maintains permanent student records that summarize the credentials for admission, attendance, grades and other records of performance.

b) In determining whether a program should be approved, the Department shall take into consideration but not be bound by accreditation by the American Board of Funeral Service Education, Inc.

c) The Department has determined that all mortuary science programs accredited by the American Board of Funeral Service Education, Inc. as of ~~January 1, 1984~~ January 1, 1990, meet the minimum criteria set forth in subsection (a), above and are, therefore, approved.

d) Program Evaluation

1) An applicant from a program of mortuary science that has not been evaluated shall be requested by the Department to provide documentation concerning the criteria in this Section.

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2) Once the Department has received the documentation or after 6 months have elapsed from the date of application, whichever comes first, the Department will evaluate the program based on all documentation received from the school and any additional information the Department has received which it deems to be reliable.

e) Withdrawal of Approval

1) The Director of the Department (the "Director") may withdraw, suspend or place on probation the approval of a program of mortuary science when the quality of the program has been materially affected by any of the following causes:

A) Gross or repeated violations of any provision of the Illinois Funeral Directors and Embalmers Act (the "Act") (Ill. Rev. Stat. 1989 ~~1987~~, par. 2800 et seq., as amended by Public Act 86-596, effective January 1, 1990);

B) Gross or repeated violations of any of these Rules;

C) Fraud or dishonesty in furnishing documentation for evaluation of the program of mortuary science; or

D) Failure to continue to meet the established criteria for an approved program as set out in this Section.

2) The officials in charge of a program whose approval is being reconsidered by the Department shall be given written notice prior to any action by the Department and such officials may either submit written comments or request a hearing before the Department in accordance with 68 Ill. Adm. Code 1110.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 1250.120 Application for Traineeship

a) An applicant for a ~~certificate of registration~~ license as a funeral director and ~~trainee or an~~ embalmer trainee shall file an application on forms supplied by the Department. The application shall include:

~~1) A recent photograph not larger than 2 1/2 by 2 1/2 inches;~~

~~2~~ 1) Either:

A) An official transcript showing proof of successful completion of at least 30 semester (45 quarter) hours of college credit, not including remedial courses, from an accredited college or university which shall include at least 20 semester (30 quarter) hours of

courses in liberal arts, physical, biological, and/or applied sciences; and certification of graduation from a course of study of at least ~~1 calendar year~~ 12 months in an approved program of mortuary science; ~~or~~

B) Certification of graduation with an associate's degree in mortuary science or an equivalent associate's degree (i.e. applied science) from an approved program of mortuary science; or

C) Certification of a baccalaureate degree in mortuary science from an approved program of mortuary science.

~~3~~ 2) Certificate of Health, attesting that the applicant has been immunized against diphtheria, hepatitis B and tetanus, signed by a physician currently licensed to practice medicine in all of its branches;

~~4~~ 3) ~~An affidavit~~ Certification of acceptance, completed and signed by a ~~registered~~ licensed funeral director and embalmer whose license is active and in good standing ~~as the case may be~~, stating that the applicant will be studying and training under his supervision; ~~and~~

4) A complete work history since completion of an approved program as set forth in Section 1250.110; and

5) The required fee set forth in Section 3-12 of the Act.

b) Upon receipt of the above documents and review of the application, the Department shall issue a funeral director and embalmer trainee license or notify the applicant of the reason for the denial of his application. ~~When the Department has received a completed application, the applicant will be issued a trainee license for the appropriate traineeship.~~

c) The provisions of this Section shall apply to all applicants upon adoption without regard to where an applicant is in the application process.

d) Effective June 1, 1991, pursuant to Section 2A-4 of the Act, all qualified applicants will be issued a funeral director and embalmer trainee license.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 1250.130 Requirements for Traineeship

a) A ~~registered~~ licensed funeral director and embalmer ~~or registered embalmer~~ who agrees to sponsor a trainee shall be responsible for teaching the trainee the practical aspects of his profession, for demonstrating actual procedures, and for directing and supervising the procedures done by the trainee.

b) The trainee shall be given primary responsibility for:

~~1)~~ ~~In the case of a funeral director trainee,~~

~~A~~ 1) Assisting or participating in the arrangement of at least 24 funerals, including completing the necessary paperwork~~;~~ ~~and~~

~~B~~ 2) Assisting in the arrangement of a selection room, including buying, pricing, providing a description of each casket and other pertinent information;

~~2~~ 3) ~~In the case of an embalmer trainee~~ ~~A~~assisting in the preparation and embalming of at least 24 deceased human bodies, including cosmetic application, and dressing and casketing. If possible, at least one of the bodies should have been autopsied~~.~~;

4) Making removals of deceased human bodies.

c) The trainee shall submit to the Department, on forms provided by the Department, a case report for each of the 24 funerals ~~or~~ and 24 body preparations which are required in accordance with subsection (b) above.

1) Twelve ~~Six~~ case reports shall be submitted every 3 ~~three~~ months during the year of the apprenticeship.

2) If the trainee has not completed a total of 12 ~~six~~ cases in the 3 ~~three~~ month period, he shall submit the case reports for the cases completed and state the reason(s) why he was unable to complete all 12 ~~six~~ cases (e.g. lack of available cases, illness, change of ownership).

3) All case reports shall be signed by the trainee and the sponsor.

d) The Department shall have the authority to investigate to determine compliance with this Section, and to question the sponsor and the trainee to determine whether the trainee has been properly instructed and has performed the required procedures.

e) A trainee may serve his training period under more than one ~~registered~~ licensed funeral director and embalmer ~~or funeral director~~ in this State. A change of employment application must be requested and properly executed, then returned to the Department within one month following the date of change of sponsorship.

f) Upon completion of the required year of traineeship, the sponsor shall complete an affidavit, on forms supplied by the Department, stating that the trainee has satisfactorily completed the appropriate procedures under his direction and supervision.

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g) Trainees shall ~~must~~ satisfactorily complete the prescribed one year of training as evidenced by the documentation required by subsection (c), and pass the National Board examination prior to licensure. For the purpose of determining completion of the prescribed one year of traineeship, the traineeship shall commence on the date of the issuance of the trainee license ~~certificate~~.

h) If the ~~certificate of registration~~ license of a ~~registered~~ ~~licensed~~ funeral director ~~trainee~~ ~~or~~ and embalmer trainee cannot be renewed in accordance with Section 15 of Article III of the Act and the trainee has not yet received his year of traineeship, he may reapply to the Department ~~of Professional Regulation (the "Department") under The Funeral Directors and Embalmers Licensing Act of 1935 (Ill. Rev. Stat. 1987, ch. 111, par. 2800 et seq.) (the "Act")~~ under the Act and Rules in effect at the time of his reapplication. No credit will be allowed for any examinations he may have previously passed or for any traineeship he may have previously earned.

i) The provisions of this Section shall apply to all applicants upon adoption without regard to where an applicant is in the application process.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 1250.135 Application for Licensure

a) An applicant for a license as a funeral director and embalmer, pursuant to Section 2A-3 of the Act, shall file an application on forms supplied by the Department. The application shall include the following:

1) Certification of completion of traineeship signed by the licensed funeral director and embalmer under whose supervision the traineeship was performed.

2) Certificate of Health, attesting that the applicant has been immunized against diphtheria, hepatitis B and tetanus, signed by a physician currently licensed to practice medicine in all of its branches.

3) Verification of successful completion of the National Conference Examination, pursuant to Section 1250.140, to be forwarded by the National Conference directly to the Department.

4) A complete work history since completion of an approved program as set forth in Section 1250.110.

5) Applicants not having been issued an Illinois Funeral Director and/or Embalmer Trainee license or who have been issued one which has been expired for more than 5 years shall submit the following:

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A) Official transcripts showing proof of successful completion of at least 30 semester (45 quarter) hours of college credit, not including remedial courses, from an accredited college or university which shall include at least 20 semester (30 quarter) hours of courses in liberal arts, physical, biological, and/or applied sciences; and certification of graduation from a course of study of at least 12 months in an approved program of mortuary science.

B) Certification of graduation with an associate's degree in mortuary science from an approved program of mortuary science or an equivalent associate's degree (i.e. applied science); or

C) Certification of a baccalaureate degree in mortuary science from an approved program of mortuary science.

6) The fee specified in Section 3-12 of the Act.

b) Upon receipt of the above documents and review of the application, the Department shall issue a license authorizing the applicant to engage in the practice of funeral directing and embalming or notify the applicant of the reason for the denial of his application.

c) Beginning June 1, 1991, the Department shall not issue any new licenses as funeral directors or any new licenses for embalmers.

Source: Added at 15 Ill. Reg. _____, effective _____)

Section 1250.140 Examination

a) The examination shall be the National Board Examination of the Conference of Funeral Service Examiners written theoretical examination and shall be as follows:

1) Part I (Funeral Service Science): ~~shall be required for candidates for registration as an Embalmer~~

i) Embalming
ii) Restorative Art
iii) Microbiology
iv) Pathology
v) Chemistry
vi) Anatomy

2) Part II (Funeral Service Arts): ~~shall be required for candidates for registration~~ ~~licensure as funeral director~~

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i) Sociology of Funeral Service
ii) Psychology and Counseling
iii) Funeral Directing and Professional Relationships
iv) Business Law
v) Funeral Service Law
vi) Funeral Merchandising
vii) Accounting

3) The Department shall ~~must~~ receive verification of the successful completion of the ~~required part(s) of the~~ National Board Examination administered by the National Conference of Funeral Service Examiners. Successful completion shall be an average score of 75% or greater with no score less than 70% on any one Part ~~on the required part(s)~~. Verification shall ~~must~~ be received directly from the National Conference of Funeral Service Examiners.

4) A score of 75% shall be required for each Part retaken.

b) An examination fee shall ~~will~~ be ~~required to be~~ paid to the designated testing service for each ~~the second and each subsequent~~ examination or any part retaken.

~~c) Successful completion of the appropriate part of the written theoretical examination previously administered by the Department or the National Board examination within the past five (5) years prior to application is required of all applicants upon adoption of this Section. In the event an applicant who had successfully completed the National Board examination subsequently failed a written theoretical examination conducted by the Department, successful completion of the National Board examination taken after the failure will be required.~~

c) ~~d)~~ The provisions of this Section shall apply to all applicants upon adoption without regard to where an applicant is in the application process.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 1250.150 Reciprocity

a) An applicant who is currently licensed as a funeral director ~~or~~ and embalmer ~~or both~~ under the laws of another state or territory of the United States or of a foreign country or province shall file an application with the Department together with:

~~1) A recent photograph not larger than 2 1/2 by 2 1/2 inches;~~

~~2~~ 1) Either:

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A) An official transcript showing proof of successful completion of at least 30 semester (45 quarter) hours of college credit, not including remedial courses, from an accredited college or university which shall include at least 20 semester (30 quarter) hours of courses in liberal arts, physical, biological, and/or applied sciences; and certification of graduation from a course of study of at least 12 months ~~1 calendar year~~ in an approved program of mortuary science; ~~or~~

B) Certification of graduation with an ~~A~~associate's ~~D~~degree in ~~M~~mortuary ~~S~~science or an equivalent associate's degree (i.e. applied science) from an approved program of mortuary science; or

C) Certification of a baccalaureate degree in mortuary science from an approved program of mortuary science;

~~3~~ 2) Affidavits stating that the applicant has been actively engaged in the practice of funeral directing and embalming ~~or funeral directing, as the case may be~~, for ~~a period of~~ at least 1 year, completed by two persons with personal knowledge of such experience;

~~4~~ 3) A certification by the state or territory of original and current licensure, stating:

A) The time during which the applicant was licensed in that ~~state~~ jurisdiction;

B) Whether the file on the applicant contains any record of disciplinary actions taken or pending; and

C) A brief description of the examination, the applicant's grades and a statement that such state grants reciprocity to funeral directors and ~~or~~ embalmers~~, as the case may be,~~ licensed in Illinois~~; and~~

4) A complete work history since completion of an approved program as set forth in Section 1250.110; and

5) The ~~required~~ fee set forth in Section 3-12 of the Act.

b) The Department shall examine each reciprocity application to determine whether the requirements for licensure ~~registration~~ in the jurisdiction ~~state~~ in which the applicant is licensed were at the date of application substantially equivalent to the requirements in force in this State. The Department shall ~~within a reasonable time~~ either issue a license ~~certificate of registration~~ by reciprocity to the applicant or notify him of the reasons for the denial of his application.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

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Section 1250.155 Inactive Status

a) Any licensed funeral director and embalmer or any licensed funeral director who notifies the Department in writing, on forms prescribed by the Department, may elect to place his license on inactive status and shall be excused from the payment of renewal fees until he notifies the Department in writing of his desire to resume active status.

b) Any licensee seeking restoration from inactive status shall do so in accordance with Section 1250.160 of this Part.

c) *Practice on a license which has lapsed or been placed in inactive status is practicing without a license and a violation of this Act (Section 2A-8 of the Act).*

(Source: Added at 15 Ill. Reg. _____, effective _____)

Section 1250.160 Restoration

~~A person seeking restoration of his license five years or more after it has expired shall file an application with the Department along with the required fee and shall be required to pass the appropriate part(s) of the National Conference Examination provided for under Section 1250.140.~~

a) A licensee seeking restoration of his license after it has expired or been placed on inactive status for more than 5 years shall file an application, on forms supplied by the Department, together with the following:

1) The restoration fee(s) specified in ~~par. 2836~~ Section 3-12 of the Act. For the purpose of restoring from inactive status the Department shall consider that no renewal fees have lapsed during the period of inactive status.

2) Any licensee restoring his license after June 1, 1993, shall be required to submit proof of completion of the required number of continuing education (CE) hours for one prerenewal period as specified in Section 1250.220 of this Part. Acceptable proof of completion shall be in the form of certificates of attendance provided by approved sponsors of continuing education programs.

b) In addition to satisfying the requirements of subsection (a) above the licensee shall also submit either:

1) Sworn evidence of active practice in another jurisdiction. Such evidence shall include a statement from the appropriate board or licensing authority in the other jurisdiction that the licensee was authorized to practice during the term of said active practice;

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2) An affidavit attesting to military service as provided in Sections 1-10 and ~~2-8~~ 2A-8 of the Act. If application is made within two years of discharge, and if all other provisions of Sections 1-10 and ~~2-8~~ 2A-8 of the Act are satisfied, the applicant will not be required to pay a restoration fee or any lapsed renewal fees; or

3) Evidence of other education or experience acceptable to the Department of the licensee's fitness to have his license restored. Such evidence shall be reviewed on a case by case basis by the Board.

c) A licensee seeking restoration of his license which has expired or been on inactive status for less than 5 years, or has been placed in nonrenewed status for failure to comply with CE requirements shall file an application on forms provided by the Department, together with the following:

1) The restoration fee(s) specified in ~~par. 2836~~ Section 3-12 of the Act. For the purpose of restoring from inactive status the Department shall consider that no renewal fees have lapsed during the period of inactive status.

2) Any licensee restoring his license after June 1, 1993, shall be required to submit proof of completion of the required number of CE hours for one prerenewal period as specified in Section 1250.220 of this Part. Acceptable proof of completion shall be in the form of certificates of attendance provided by sponsors of approved continuing education programs.

d) When the accuracy of any submitted documentation, or the relevance or sufficiency of the course work or experience is reasonably questioned by the Department, because of discrepancies or conflicts in information, needing further clarification, and/or missing information, the licensee seeking restoration of his license will be required to:

1) Provide such information as may be necessary; and/or

2) Explain such relevance or sufficiency during an interview; or

3) Appear for additional interview(s) before the Board when the information available to the Board is insufficient to evaluate the individual's current competency to practice under the Act. Upon the recommendation of the Board and approval by the Director, an applicant shall have his license restored.

e) Persons to whom a funeral director license and embalmer license were issued prior to June 1, 1991, shall be required to reinstate both licenses. Persons to whom a funeral director license was issued prior to June 1, 1991, will be allowed to reinstate that license.

(Source: Amended at 15 Ill. Reg._____, effective _____)

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Section 1250.170 Requirements for a Preparation Room

a) The care and preparation for burial of all deceased bodies, regardless of cause of demise, shall be entirely private and no one shall be allowed in the embalming or preparation room until the body is fully prepared and dressed, except licensed ~~registered~~ funeral directors~~(s), registered~~ licensed funeral directors and embalmers~~(s)~~, ~~their~~ licensed trainees, their assistants~~(s)~~, the medical examiner, the coroner, their representatives and representatives of the Department or except when it is determined to be necessary by the funeral director(s) or the medical examiner or the coroner.

b) A notice of privacy shall be affixed to the preparation room or adjacent thereto.

c) Preparation rooms shall be maintained in a sanitary condition with necessary drainage and proper ventilation in accordance with the provisions of the Act.

d) Preparation rooms shall be made available to representatives of the Department for inspection to determine compliance with the Funeral Directors and Embalmers Act of 1935 and Rules.

(Source: Amended at 15 Ill. Reg._____, effective _____.)

Section 1250.190 Violations (Repealed)

~~It shall be a violation of this Part if a registrant either directly or indirectly engages in, or permits his agents, assistants, employees, or anyone acting on his behalf, to engage in any of the following acts:~~

~~a) Making false statement(s) on a Certificate of Death, where such person knew, or should have known that the statement was false.~~

~~b Holding or refusing to release, for monetary purposes, custody of the remains of a deceased human body upon the proper request of the person or persons making the funeral arrangements and/or lawfully entitled to custody thereof.~~

~~c) Making any false or misleading statements about the laws concerning the disposal of human remains, including, but not limited to, the need to embalm, the need for a casket for cremation or the need for an outer burial vault.~~

~~d) Encouraging, requesting or suggesting that a person utilize the services of a certain funeral director, embalmer, or funeral establishment, unless such information has been expressly requested by such person. This shall not prohibit general advertising or pre-need solicitation.~~

~~e) Soliciting human bodies, whether such solicitation occurs after death or while death is imminent.~~

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~~f) Performing any act or practice which is a violation of the Act, or any federal, state or local laws, rules, or regulations governing the practice of funeral directing and/or embalming.~~

~~g) Performing any act [illegible] tice which is a violation of Section 2 of the Consumer Fraud and [illegible] ive Business Practices Act (Ill. Rev. Stat. 1987, ch. 121 1/2, par. 262).~~

~~h Making false stateme[illegible] director or embalmer trainee report where such licensee registrant kne[illegible] should have known that the statement was false.~~

(Source: [illegible] Repealed at 15 Ill. Reg. _____, effective _____)

Section 1250.200 Renewals

a) Every license ~~certificate of registration~~ issued under the Act shall expire on May 31 of each odd numbered year. The holder of a license ~~certificate of registration~~ may renew such license ~~certificate~~ during the month preceding the expiration date thereof by paying the required fee.

b) Beginning with the 1993 renewal, all funeral director licensees and funeral director and embalmer licensees shall be required to comply with the continuing education requirements set forth in Section 1250.220 of this Part.

c) ~~b)~~ It is the responsibility of each licensee ~~registrant~~ to notify the Department of any change of address. Failure to receive a renewal form from the Department shall not constitute an excuse for failure to pay the renewal fee and to renew one's license.

d) ~~c)~~ *No license of a funeral director and embalmer trainee shall be renewed more than twice (Section 2A-8 of the Act).*

e) ~~d)~~ Practicing or attempting to practice while a license is non-renewed shall be considered unlicensed practice and may be grounds for discipline in accordance with Section 3-13 of the Act.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 1250.205 Advertising

a) Persons licensed to practice funeral directing ~~or~~ and embalming in the State of Illinois may advertise in any medium or other form of public communication in a manner which is truthful, and which is not fraudulent, deceptive, inherently misleading or proven to be misleading in practice. Such advertising shall contain all information necessary to make the communication not misleading and shall not contain any false or misleading statement or otherwise operate to deceive. The form of such communication shall be designed to communicate the information contained therein to the public in a direct, dignified and readily comprehensive manner.

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b) Information which may be contained in such advertising includes:

1) Licensee's ~~Registrant's~~ name, address, business hours, and telephone number;

2) Schools attended;

3) Announcement of the opening of, change of, or return to practice;

4) Announcement of additions to or deletions from professional staff;

5) Availability of pre-need arrangements;

6) Professional society memberships;

7) Credit arrangements;

8) Foreign language ability;

9) Fees for professional services and merchandise which must include a statement that fees may be adjusted due to unforeseen circumstances.

10) Description of the establishment in which the licensee ~~registrant~~ practices, e.g., accessibility to the handicapped, chapel facilities on the premises, convenience of parking; and,

11) Other information about the licensee ~~registrant~~, the licensee's ~~registrant's~~ practice, or the types of practice in which the ~~registrant~~ licensee will accept employment, which a reasonable person might regard as relevant in determining whether to seek the licensee's ~~registrant's~~ services.

c) If an advertisement is communicated to the public over television or radio, it shall be prerecorded and approved for broadcast by the registrant, and a recording of the actual transmission, including videotape, shall be retained by the licensee ~~registrant~~ for a period of at least five (5) years.

d) Information which may be untruthful, fraudulent, deceptive, inherently misleading, or which has proven to be misleading in practice includes that which:

1) Contains a misrepresentation of fact or omits a material fact required to prevent deception;

2) Takes advantage of the potential client's fears, anxieties, vanities, or other emotions;

3) Contains testimonials and/or exaggerations pertaining to the quality of funeral services;

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4) Describes as available product or services which are not permitted by the laws of this State and/or applicable Federal laws; and,

5) Advertises professional services which the licensee ~~registrant~~ is not licensed to render.

e) The solicitation of funeral services at the residence of a client or prospective client, or any health care institution in which the client or prospective client is confined, which is uninvited and which has not been previously agreed to by the client or prospective client is prohibited. A licensee, or his representative, may initiate contact with a client, or prospective client, in the following manner:

1) Through general advertising;

2) By direct mail;

3) By telephone; or

4) As an invitee of a charitable, social, civic, religious, fraternal or employee or trade organization.

f) A licensee or his representative shall not initiate contact with a client or prospective client if:

1) The licensee, or his representative, reasonably should know that the physical, emotional, or mental state of the person solicited is such that the person could not exercise reasonable judgment;

2) The person solicited has made known a desire not to receive the communication; or

3) The solicitation involves coercion, duress, or harassment.

(Source: Amended at 15 Ill. Reg._____, effective _____.)

Section 1250.210 Granting Variances

a) The Director may grant variances from these rules in individual cases where he finds that:

1) The provision from which the variance is granted is not statutorily mandated;

2) No party will be injured by the granting of the variance;

3) The rules from which the variance is granted would, in the particular case, be unreasonable or unnecessarily burdensome.

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b) The Director shall notify the Board ~~of Examiners on Funeral Directing and Embalming~~ of the granting of such variance, and the reasons therefor, at the next meeting of the Board.

(Source: Amended at 15 Ill. Reg._____, effective _____,)

Section 1250.220 Continuing Education

a) Continuing Education Hour Requirements

1) Every funeral director and embalmer renewal applicant shall complete 24 hours of continuing education ("CE") relevant to the practice of funeral directing and embalming during each prerenewal period. Of these 24 hours, 12 shall be obtained in CE activities relevant to funeral directing and the remaining 12 shall be obtained in activities relevant to embalming.

2) Every funeral director renewal applicant shall complete 12 hours of CE relevant to the practice of funeral directing during each prerenewal period.

3) The Department shall conduct random audits to verify compliance with this Section. The prerenewal period is the 24 months preceding the expiration date of the license.

4) A renewal applicant is not required to comply with CE requirements for the first renewal following the original issuance of the license. All persons who held a funeral director and/or embalmer license prior to June 1, 1991, shall be required to comply with the CE requirement in order to renew their combined license in July 1993.

5) Funeral directors and embalmers licensed in Illinois but residing and practicing in other states must comply with the CE requirements set forth in this Section.

b) Activities for which CE credit may be earned are as follows:

1) Verified attendance at or participation in a program given by a sponsor as set forth in subsection (c) (1) of this Section.

2) A maximum of 3 hours for funeral directors or 6 hours for funeral directors and embalmers per prerenewal period for:

A) Preparation of papers pertaining to funeral directing or embalming and delivery before recognized organizations;

B) Writing of articles pertaining to funeral directing or embalming and having them published in nationally recognized journals;

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C) Writing a chapter in a book pertaining to funeral directing or embalming; and

D) Completion of self-study courses taken through an accredited college or university or an approved sponsor.

3) A licensee who serves as an instructor, speaker or discussion leader of an approved course will be allowed CE course credit for actual presentation time, plus actual preparation time of up to 2 hours for each hour of presentation. Preparation time shall not be allowed for repetitious presentations of the same course, and will only be allowed for additional study or research. In no case shall credit for actual time of presentation and preparation be given for more than 3 hours for funeral directors or 6 hours for funeral directors and embalmers during any renewal period.

4) The CE hours used to satisfy the CE requirements for renewal of a funeral director or funeral director and embalmer license held in another jurisdiction shall be applied to fulfillment of the CE requirements for renewal of their Illinois funeral director or embalmer license.

5) A maximum of 12 hours of CE credit shall be given for completed courses at an accredited college or university. 1 semester hour shall equal 4 clock hours. 1 quarter hour shall equal 3 clock hours.

6) A CE hour means a minimum of 50 minutes of actual clock time spent by a licensee in actual attendance at and completion of an approved CE activity. After completion of the initial CE hour, credit may be given in one-half hour increments.

7) Credit will not be given for activities which are not included in Subsection (b).

c) CE Sponsors and Programs

1) Sponsor, as used in this Section, pursuant to Section 2A-8 of the Act, shall mean the following:

A) An accredited college or university;

B) Illinois Funeral Directors Association;

C) Funeral Directors Services Association of Greater Chicago;

D) Cook County Association of Funeral Home Owners, Inc.;

E) Illinois Selected Morticians;

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F) National Funeral Directors Association;

G) National Foundation of Funeral Service;

H) National Selected Morticians;

I) An Illinois school of mortuary science; or

J) Any other school, college or university, State agency, or any other person, firm, or association which has been approved and authorized by the Department to coordinate and present CE courses and programs in conjunction with this Section.

2) A sponsor shall file a sponsor application which certifies the following:

A) That all courses and programs offered by the sponsor for CE credit will comply with the criteria in subsection (c)(3) below and all other criteria in this Section;

B) That the sponsor will be responsible for verifying attendance at each course or program and provide a certificate of completion as set forth in subsection (c)(5); and

C) That upon request by the Department, the sponsor will submit such evidence as is necessary to establish compliance with this Section. Such evidence shall be required when the Department has reason to believe that there is not full compliance with the Act and this Part and that this information is necessary to ensure compliance.

3) All courses and programs shall:

A) Contain materials which contribute to the advancement, extension and enhancement of professional skills and knowledge in the practice of funeral directing or embalming. The course content shall be designed to specifically focus on such advancement and enhancement of professional skills and knowledge and not merely relate to them in a general way;

B) Specify the course objectives, course content and teaching methods to be used;

C) Be developed and presented by persons with education and/or experience in the subject matter of the program;

D) Specify the number of CE hours that may be applied to fulfilling the Illinois CE requirements for license renewal;

DEPARTMENT OF PROFESSIONAL REGULATION

NOTICE OF PROPOSED AMENDMENTS

E) Designate in the following manner as to whether the course or program is specific to:

i) Funeral directing (FD);
ii) Embalming (E);
iii) Funeral directing and/or embalming (FDE); and

~~E)~~ F) Include some mechanism whereby participants evaluate the overall quality and content of the program.

4) All programs given by sponsors should be open to all licensed funeral directors and funeral directors and embalmers and not be limited to the members of a single organization or group.

5) Certificate of Attendance or Participation. It shall be the responsibility of the sponsor to provide each participant in an approved program or course with a certificate of attendance or participation which shall contain the following information:

A) The name and address of the sponsor;

B) The name, address and license number of the participant;

C) A brief statement of the subject matter;

D) The number of CE hours awarded in each program;

E) The course content designation:

i) Funeral directing (FD);
ii) Embalming (E);
iii) Funeral directing and embalming (FDE);

~~E)~~ F) The date and place of the program; and

~~F)~~ G) The signature of the sponsor.

6) ~~G)~~ The certificate of attendance may be distributed following the educational program or otherwise provided to the attendee by the sponsor such as mailing the certificate or summary of attendances at one or more qualifying educational events.

7) The sponsor shall maintain course materials and attendance records containing all information in subsection (c)(5) above for not less than 5 years, except for the signature of the sponsor.

8) The sponsor shall be responsible for assuring that no participant shall receive CE credit for time not actually spent attending the program.

9) If it should be determined after a hearing before the Board that a sponsor has failed to comply with the foregoing requirements, the Department shall thereafter refuse to accept for CE credit attendance at any of such sponsor's CE activities until such time as the Department receives assurances of compliance with this section.

10) Notwithstanding any other provision of this Section, the Department or Board may evaluate any sponsor of any continuing education program at any time.

11) The Department shall maintain a list of all approved continuing education sponsors.

d) Certification of Compliance with CE Requirements

1) Each renewal applicant shall certify, on his renewal application, to full compliance with the CE requirements set forth in subsection (a), above.

2) The Department may require additional evidence demonstrating compliance with the CE requirements. It is the responsibility of each renewal applicant to retain or otherwise produce evidence of such compliance. Such additional evidence will be required in the context of the Department's random audit.

3) When there appears to be a lack of compliance with CE requirements, an applicant will be notified and may request an interview with the Board, at which time the Board may recommend that steps be taken to begin formal disciplinary proceedings as required by Section 16 of the Illinois Administrative Procedure Act (Ill. Rev. Stat. ~~1987~~ 1989, ch. 127, par. 1016).

e) Waiver of CE Requirements

1) Any renewal applicant seeking renewal of his license without having fully complied with these CE requirements shall file with the Department a renewal application, the required renewal fee, a statement setting forth the facts concerning such non-compliance, and a request for waiver of the CE requirements on the basis of such facts. If the Department, upon the written recommendation of the Board, finds from such affidavit or any other evidence submitted, that extreme hardship has been shown for granting a waiver, the Department shall waive enforcement of such requirements for the renewal period for which the applicant has applied.

2) If an interview with the Board is requested at the time the request for such waiver is filed with the Department, the renewal applicant shall be given at least 20 days written notice of the date, time and place of such interview by certified mail, return receipt requested.

3) Extreme hardship shall be determined on an individual basis by the Board and be defined as an inability to devote sufficient hours to fulfilling the CE requirements during the applicable prerenewal period because of:

A) Full-time service in the armed forces of the United States of America during a substantial part of such period;

B) An incapacitating illness, documented by a currently licensed physician; or

C) A physical inability to travel to the sites of approved programs documented by a currently licensed physician; or

D) Other similar extenuating circumstances (i.e., family illness, prolonged hospitalization or advanced age).

4) Any renewal applicant who, prior to the expiration date of his license, submits a request for a waiver, pursuant to the provisions of this Section shall be deemed to be in good standing until the final Department's decision of the application has been made.

(Source: Added at 15 Ill. Reg. _____, effective _____)

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1) The Heading of the Part: AID TO THE AGED, BLIND OR DISABLED

2) Code Citation: 89 Ill. Adm. Code 113

3) Section Numbers: Proposed Action:

113.253	Amendment
113.260	Amendment

4) Statutory Authority: Sections 3-1.2, 3-5 and 12-13 of the Illinois Public Aid Code (Ill. Rev. Stat. 1989, Ch. 23, Pars. 3-1.2, 3-5 and 12-13)

5) A Complete Description of the Subjects and Issues Involved: This rule revises the grant adjustment allowance and shelter care rates as a result of the increase in Social Security benefits. The Department is required under federal regulations to "pass-on" to AABD recipients the amount of the SSI cost of living increase. The Department does this by increasing the grant adjustment allowance, except for shelter care residents. For shelter care residents, the Department increases the shelter care rate (20 CFR 416.2095 - 416.2098).

6) Will these Proposed Amendments replace Emergency Amendments currently in effect? No

7) Does this rulemaking contain an automatic repeal date?
____Yes ___X No

8) Do these Proposed Amendments contain incorporations by reference? No

9) Are there any other Proposed Amendments pending on this Part? Yes

Section Numbers	Proposed Action	Illinois Register Citation
113.9	Amendment	January 18, 1991 (15 Ill. Reg. 384)
113.141	Amendment	December 14, 1990 (14 Ill. Reg. 19581)
113.155	Amendment	January 25, 1991 (15 Ill. Reg. _____)

10) Statement of Statewide Policy Objectives: This rulemaking has no effect on local governmental units.

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11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Any interested parties may submit comments, data, views, or arguments concerning the proposed rulemaking. All comments must be in writing and should be addressed to Anita Williams, Staff Attorney, Office of the General Counsel, Illinois Department of Public Aid, Jesse B. Harris Bldg. II, 3rd Flr., 100 South Grand Avenue East, Springfield, Illinois 62762 (217) 782-1233. The Department will consider all written comments it receives within 30 days of the date of publication of this notice.

12) Initial Regulatory Flexibility Analysis:

A) Date Proposed Amendments were submitted to the Business Assistance Office of the Department of Commerce and Community Affairs: January 25, 1991

B) Types of small businesses affected: Sheltered Care Facilities

C) Reporting, bookkeeping or other procedures required for compliance: No additional procedures required.

D) Types of professional skills necessary for compliance: No additional skills required.

The full text of the Proposed Amendments begin on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER b: ASSISTANCE PROGRAMS

PART 113
AID TO THE AGED, BLIND OR DISABLED

SUBPART A: GENERAL PROVISIONS

Section
113.1 Description of the Assistance Program
113.5 Incorporation By Reference

SUBPART B: NON-FINANCIAL FACTORS OF ELIGIBILITY

Section
113.9 Client Cooperation
113.10 Citizenship
113.20 Residence
113.30 Age
113.40 Blind
113.50 Disabled
113.60 Living Arrangement
113.70 Institutional Status
113.80 Social Security Number

SUBPART C: FINANCIAL FACTORS OF ELIGIBILITY

Section
113.100 Unearned Income
113.101 Budgeting Unearned Income
113.102 Budgeting Unearned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision
113.103 Initial Receipt of Unearned Income
113.104 Termination of Unearned Income
113.105 Unearned Income In-Kind
113.106 Earmarked Income
113.107 Lump Sum Payments and Income Tax Refunds
113.108 Protected Income
113.109 Earned Income
113.110 Budgeting Earned Income
113.111 Protected Income
113.112 Earned Income
113.113 Budgeting Earned Income
113.114 Budgeting Earned Income of Applicants Receiving Income On Date of Application And/Or Date of Decision
113.115 Initial Employment
113.116 Budgeting Earned Income For Contractual Employees

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Section
113.117 Budgeting Earned Income For Non-contractual School Employees
113.118 Termination of Employment
113.120 Exempt Earned Income
113.125 Recognized Employment Expenses
113.130 Income From Work/Study/Training Programs
113.131 Earned Income From Self-Employment
113.132 Earned Income From Roomer and Boarder
113.133 Earned Income From Rental Property
113.134 Earned Income In-Kind
113.139 Payments from the Illinois Department of Children and Family Services
113.140 Assets
113.141 Exempt Assets
113.142 Asset Disregard
113.143 Deferral of Consideration of Assets
113.154 Property Transfers For Applications Filed Prior To October 1, 1989
113.155 Property Transfers For Applications Filed On Or After October 1, 1989
113.156 Court Ordered Child Support Payments of Parent/Step-Parent
113.157 Sponsors of Aliens
113.160 Assignment of Medical Support Rights

SUBPART D: PAYMENT AMOUNTS

Section
113.245 Payment Levels for AABD
113.246 Personal Allowance
113.247 Personal Allowance Amounts
113.248 Shelter
113.249 Utilities and Heating Fuel
113.250 Laundry
113.251 Telephone
113.252 Transportation, Lunches, Special Fees
113.253 Allowances for Increase in SSI Benefits
113.254 Nursing Care or Personal Care in Home Not Subject to Licensing
113.255 Sheltered Care in a Licensed Group Care Facility
113.256 Shopping Allowance
113.257 Special Allowances for Blind and Partially Sighted (Blind Only)
113.258 Home Delivered Meals
113.259 AABD Fuel and Utility Allowances By Area
113.260 Sheltered Care Rates
113.261 Cases in Licensed Intermediate Care Facilities, Licensed Skilled Nursing Facilities, DMHDD Facilities and All Other Licensed Medical Facilities

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SUBPART E: OTHER PROVISIONS

Section
113.300 Persons Who May Be Included In the Assistance Unit
113.301 Grandfathered Cases
113.302 Interim Assistance
113.303 Special Needs Authorizations
113.304 Retrospective Budgeting
113.305 Budgeting Schedule
113.306 Purchase and Repair of Household Furniture
113.307 Property Repairs and Maintenance
113.308 Excess Shelter Allowance
113.320 Redetermination of Eligibility
113.500 Attorney's Fees for SSI Appellants

AUTHORITY: Implementing Article III and authorized by Section 12-13 of the Illinois Public Aid Code (Ill. Rev. Stat. 1989, ch. 23, pars. 3-1 et seq. and 12-13)

SOURCE: Filed effective December 30, 1977; peremptory amendment at 2 Ill. Reg. 17, p. 117, effective February 1, 1978; amended at 2 Ill. Reg. 31, p. 134, effective August 5, 1978; emergency amendment at 2 Ill. Reg. 37, p. 4, effective August 30, 1978, for a maximum of 150 days; peremptory amendment at 2 Ill. Reg. 46, p. 44, effective November 1, 1978; emergency amendment at 3 Ill. Reg. 16, p. 41, effective April 9, 1979, for a maximum of 150 days; emergency amendment at 3 Ill. Reg. 28, p. 182, effective July 1, 1979, for a maximum of 150 days; amended at 3 Ill. 33, p. 399, effective August 18, 1979; amendment at 3 Ill. Reg. 33, p. 415, effective August 18, 1979; amended at 3 Ill. Reg. 38, p. 243, effective September 21, 1979, peremptory amendment at 3 Ill. Reg. 38, p. 321, effective September 7, 1979; amended at 3 Ill. Reg. 40, p. 140, effective October 6, 1979; amended at 3 Ill. Reg. 46, p. 36, effective November 2, 1979; amended at 3 Ill. Reg. 47, p. 96, effective November 13, 1979; amended at 3 Ill. Reg. 48, p. 1, effective November 15, 1979; peremptory amendment at 4 Ill. Reg. 9, p. 259, effective February 22, 1980; amended at 4 Ill. Reg. 10, p. 258, effective February 25, 1980; at 4 Ill. Reg. 12, p. 551, effective March 10, 1980; amended at 4 Ill. Reg. 27, p. 387, effective June 24, 1980; emergency amendment at 4 Ill. Reg. 29, p. 294, effective July 8, 1980, for a maximum of 150 days; amended at 4 Ill. Reg. 37, p. 797, effective September 2, 1980; amended at 4 Ill. Reg. 37, p. 800, effective September 2, 1980; amended at 4 Ill. Reg. 45, p. 134, effective October 27, 1980; amended at 5 Ill. Reg. 766, effective January 2, 1981; amended at 5 Ill. Reg. 1134, effective January 26, 1981; peremptory amendment at 5 Ill. Reg. 5722, effective June 1, 1981; amended at 5 Ill. Reg. 7071, effective June 23, 1981;

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amended at 5 Ill. Reg. 7104, effective June 23, 1981; amended at 5 Ill. Reg. 8041 effective July 27, 1981; amended at 5 Ill. Reg. 8052, effective July 24, 1981; peremptory amendment at 5 Ill. Reg. 8106, effective August 1, 1981; peremptory amendment at 5 Ill. Reg. 10062, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10079, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10095, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10113, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10124, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 10131, effective October 1, 1981; amended at 5 Ill. Reg. 10730, effective October 1, 1981; amended at 5 Ill. Reg. 10733, effective October 1, 1981; amended at 5 Ill. Reg. 10760, effective October 1, 1981; amended at 5 Ill. Reg. 10767, effective October 1, 1981; peremptory amendment at 5 Ill. Reg. 11647, effective October 16, 1981; peremptory amendment at 6 Ill. Reg. 611, effective January 1, 1982, amended at 6 Ill. Reg. 1216, effective January 14, 1982; emergency amendment at 6 Ill. Reg. 2447, effective March 1, 1982, for a maximum of 150 days; peremptory amendment at 6 Ill. Reg. 2452, effective February 11, 1982; peremptory amendment at 6 Ill. Reg. 6475, effective May 18, 1982; peremptory amendment at 6 Ill. Reg. 6912, effective May 20, 1982; emergency amendment at 6 Ill. Reg. 7299, effective June 2, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 8115, effective July 1, 1982; amended at 6 Ill. Reg. 8142, effective July 1, 1982; amended at 6 Ill. Reg. 8159, effective July 1, 1982; amended at 6 Ill. Reg. 10970, effective August 26, 1982; amended at 6 Ill. Reg. 11921, effective September 21, 1982; amended at 6 Ill. Reg. 12293, effective October 1, 1982; amended at 6 Ill. Reg. 12318, effective October 1, 1982; amended at 6 Ill. Reg. 13754, effective November 1, 1982; rules repealed, new rules adopted and codified at 7 Ill. Reg. 907, effective January 10, 1983; amended (by adding Sections being codified with no substantive change) at 7 Ill. Reg. 5195; amended at 7 Ill. Reg. 9367, effective August 1, 1983; amended at 7 Ill. Reg. 17351, effective December 21, 1983; amended at 8 Ill. Reg. 537, effective December 30, 1983; amended at 8 Ill. Reg. 5225, effective April 9, 1984; amended at 8 Ill. Reg. 6746, effective April 27, 1984; amended at 8 Ill. Reg. 11414, effective June 27, 1984; amended at 8 Ill. Reg. 13273, effective July 16, 1984; amended (by sections being codified with no substantive change) at 8 Ill. Reg. 17895; amended at 8 Ill. Reg. 18896, effective September 26, 1984; amended at 9 Ill. Reg. 5335, effective April 5, 1985; amended at 9 Ill. Reg. 8166, effective May 17, 1985; amended at 9 Ill. Reg. 8657, effective May 25, 1985; amended at 9 Ill. Reg. 11302, effective July 5, 1985; amended at 9 Ill. Reg. 11636, effective July 8, 1985; amended at 9 Ill. Reg. 11991, effective July 12, 1985; amended at 9

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Ill. Reg. 12806, effective August 9, 1985; amended at 9 Ill. Reg. 15896, effective October 4, 1985; amended at 9 Ill. Reg. 16291, effective October 10, 1985; emergency amendment at 10 Ill. Reg. 364, effective January 1, 1986; amended at 10 Ill. Reg. 1183, effective January 10, 1986; amended at 10 Ill. Reg. 6956, effective April 16, 1986; amended at 10 Ill. Reg. 8794, effective May 12, 1986; amended at 10 Ill. Reg. 10628, effective June 3, 1986; amended at 10 Ill. Reg. 11920, effective July 3, 1986; amended at 10 Ill. Reg. 15110, effective September 5, 1986; amended at 10 Ill. Reg. 15631, effective September 19, 1986; amended at 11 Ill. Reg. 3150, effective February 6, 1987; amended at 11 Ill. Reg. 8712, effective April 20, 1987; amended at 11 Ill. Reg. 9919, effective May 15, 1987; emergency amendment at 11 Ill. Reg. 12441, effective July 10, 1987, for a maximum of 150 days; amended at 11 Ill. Reg. 20880, effective December 14, 1987; amended at 12 Ill. Reg. 867, effective January 1, 1988; amended at 12 Ill. Reg. 2137, effective January 11, 1988; amended at 12 Ill. Reg. 3497, effective January 22, 1988; amended at 12 Ill. Reg. 5642, effective March 15, 1988; amended at 12 Ill. Reg. 6151, effective March 22, 1988; amended at 12 Ill. Reg. 7687, effective April 22, 1988; amended at 12 Ill. Reg. 8662, effective May 13, 1988; amended at 12 Ill. Reg. 9023, effective May 20, 1988; amended at 12 Ill. Reg. 6996, effective May 24, 1988; emergency amendment at 12 Ill. Reg. 11828, effective July 1, 1988, for a maximum of 150 days; amended at 12 Ill. Reg. 14162, effective August 30, 1988; amended at 12 Ill. Reg. 17849, effective October 25, 1988; amended at 13 Ill. Reg. 63, effective January 1, 1989; emergency amendment at 13 Ill. Reg. 3402, effective March 3, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 6007, effective April 14, 1989; amended at 13 Ill. Reg. 12553, effective July 12, 1989; amended at 13 Ill. Reg. 13609, effective August 11, 1989; emergency amendment at 13 Ill. Reg. 14467, effective September 1, 1989, for a maximum of 150 days; emergency amendment at 13 Ill. Reg. 16154, effective October 2, 1989, for a maximum of 150 days; emergency expired March 1, 1990; amended at 14 Ill. Reg. 720, effective January 1, 1990; amended at 14 Ill. Reg. 6321, effective April 16, 1990; amended at 14 Ill. Reg. 13187, effective August 6, 1990; amended at 14 Ill. Reg. 14806, effective September 3, 1990; amended at 14 Ill. Reg. 16957, effective September 30, 1990; amended at 15 Ill. Reg. 277, effective January 1, 1991; emergency amendment at 15 Ill. Reg. 1111, effective January 10, 1991, for a maximum of 150 days; amended at 15 Ill. Reg. _____, effective _____.

NOTE: CAPITALIZATION DENOTES STATUTORY LANGUAGE.

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SUBPART D: PAYMENT AMOUNTS

Section 113.253 Allowances for Increase in SSI Benefits

a) An allowance for ~~$207.90~~-$228.90 is authorized for all AABD cases as a "grant adjustment". A grant adjustment is an allowance that ensures that the amount of the SSI increase from July 1977 and later will be available to clients.

b) EXCEPTIONS: For clients whose assistance payments include an allowance for Sheltered Care or Care Not Subject to Licensing a "grant adjustment" of $10.00 is authorized. Individuals receiving Interim Assistance or residing in long term group care facilities do not receive any "grant adjustment".

(Source: Amended at 15 Ill. Reg. _____, effective _____)

Section 113.260 Sheltered Care Rates

Group II Counties	Needs Assessment	Group III Counties
$ ~~604.55~~ 625.55	0-7	$ ~~616.55~~ 637.55
~~609.55~~ 630.55	8	~~622.55~~ 643.55
~~614.55~~ 635.55	9	~~628.55~~ 649.55
~~619.55~~ 640.55	10	~~634.55~~ 655.55
~~624.55~~ 645.55	11	~~640.55~~ 661.55
~~629.55~~ 650.55	12	~~646.55~~ 667.55
~~634.55~~ 655.55	13	~~652.55~~ 673.55
~~639.55~~ 660.55	14	~~658.55~~ 679.55
~~644.55~~ 665.55	15	~~664.55~~ 685.55
~~649.55~~ 670.55	16	~~669.55~~ 691.55
~~654.55~~ 675.55	17	~~675.55~~ 697.55
~~659.55~~ 680.55	18	~~681.55~~ 703.55

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Section 113.260 Sheltered Care Rates (Cont'd)

Group II Counties	Needs Assessment	Group III Counties
~~664.55~~ 685.55	19	~~687.55~~ 709.55
~~669.55~~ 690.55	20	~~693.55~~ 715.55
~~674.55~~ 695.55	21	~~699.55~~ 721.55
~~679.55~~ 700.55	22	~~705.55~~ 727.55
~~684.55~~ 705.55	23	~~711.55~~ 733.55
~~689.55~~ 710.55	24	~~717.55~~ 739.55

a) Group II Counties are counties other than Cook, DuPage, Kane, Lake and Will.

b) Group III Counties are Cook, DuPage, Kane, Lake and Will.

c) Rate includes shelter factor and approved activity and social rehabilitation programs.

AGENCY NOTE: See 89 Ill. Adm. Code 140.850 through 140.885 for needs assessment guidelines.

(Source: Amended at 15 Ill. Reg. _____, effective _____)

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1) Heading of Part: Bingo License and Tax Act

2) Code Citation: 86 Ill. Adm. Code 430

3)

Section Numbers:	Proposed Action:
430.100	Amendment
430.110	Amendment
430.120	Amendment
430.130	Amendment
430.160	Amendment
430.180	Amendment
430.190	Amendment
430.200	Amendment

4) Statutory Authority: Ill. Rev. Stat. 1989, ch. 120, pars. 1101 et seq.

5) A Complete Description of the Subjects and Issues Involved:

Implements statutory amendments

6) Will this proposed rule replace an emergency rule currently in effect: No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part: No

10) Statement of Statewide Policy Objectives: This rulemaking will have no effect on units of local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rule may submit them in writing by no later than 45 days after publication of this notice to:

Mr. R. Dale Yung
Administrator
Illinois Department of Revenue
Legal Services Bureau
101 West Jefferson
Springfield, Illinois 62708
Phone: (217) 782-6336

12) Initial Regulatory Flexibility Analysis:

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A Date rule was submitted to the Small Business Office of the Department of Commerce and Community Affairs: January 23, 1991

B) Types of small businesses affected: Those organizations holding licenses.

C) Reporting, bookkeeping or other procedures required for compliance: None

D) Types of professional skills necessary for compliance: None

The full text of the Proposed Amendment(s) begins on the next page:

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NOTICE OF PROPOSED AMENDMENTS

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 430
BINGO LICENSE AND TAX ACT

Section
430.100 Definitions
430.110 Regular Licenses
430.120 Limited Licenses
430.130 Suppliers Licenses
430.140 Providers Licenses
430.150 Ineligibility for License
430.160 Restrictions and Limitations on the Conducting of Bingo
430.170 Imposition of Tax; Returns
430.180 Records; Audits
430.190 Denial, Suspension, or Revocation of Licenses
430.200 Civil Penalties

AUTHORITY: Implementing and authorized by the Bingo License and Tax Act (Ill. Rev. Stat. 1989, ch. 120, pars. 1101 et seq.)

SOURCE: Adopted August 31, 1971; amended at 2 Ill. Reg. 41, p. 154, effective July 22, 1978; amended at 3 Ill. Reg. 18, p. 219, effective May 4, 1979; amended at 4 Ill. Reg. 38, p. 213, effective September 8, 1980; emergency amendment at 6 Ill. Reg. 9012, effective July 23, 1982, for a maximum of 150 days; codified at 6 Ill. Reg. 14688; rules repealed, new rules adopted at 7 Ill. Reg. 6100, effective June 1, 1983; amended at ____ Ill. Reg. _____, effective _____.

NOTE: Capitalization denotes statutory language.

Section 430.100 Definitions

For purposes of these rules, the following definitions apply:

"Act": The Bingo License and Tax Act (Ill. Rev. Stat. ~~1981~~ 1989, ch. 120, par. 1101 et seq.);

"Bingo": The form of lottery authorized by the Act in which prizes are awarded on the basis of designated numbers or symbols on a card for which consideration has been paid, conforming to numbers or symbols selected at random;

"Department": The Illinois Department of Revenue;

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"License year": The year (or other period of time for which a license is issued pursuant to Section 430.110(d)) beginning on the date a license is issued under the Act, which date is stated on the license;

"Organization": A CORPORATION, AGENCY, PARTNERSHIP, ASSOCIATION, FIRM OR OTHER ENTITY CONSISTING OF TWO OR MORE PERSONS JOINED BY A COMMON INTEREST OR PURPOSE;

"Received by the Department" or similar phrases: Whenever these rules require that any writing or any payment must be received within a specified number of days or by a specified date, the provisions of Section 1.25 of "~~a~~An Act to revise the law in relation to the construction of the statutes" (Ill. Rev. Stat. ~~1981~~ 1989, ch. 1, par. 1026) shall apply;

"Regular license": The license authorizing the holder to conduct one session of bingo per week on the date and at the time and location stated on the license;

"Session" or "bingo session": The time during which bingo is conducted, including the time during which bingo cards are sold. A licensed organization may not conduct more than one session per day;

"Substantially Complete Application": An application that on its face shows that the applicant has made a reasonable effort to complete all applicable parts of the application.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 430.110 Regular Licenses

a) Eligibility. To be eligible for a regular license an organization must have been organized in Illinois, and during the entire five year period ~~preceeding~~ preceding application must have had a bona fide membership engaged in carrying out its objects. HOWEVER, THE FIVE YEAR REQUIREMENT SHALL BE REDUCED TO TWO YEARS IF THE ILLINOIS ORGANIZATION IS AFFILIATED WITH AND CHARTERED BY A NATIONAL ORGANIZATION WHICH MEETS THE FIVE YEAR REQUIREMENT. To be "chartered" by a national organization, an Illinois organization must have a document issued by the national organization formally authorizing the establishment of the Illinois organization. THE ORGANIZATION MUST BE CONDUCTED ON A NOT-FOR-PROFIT BASIS WITH NO PERSONAL PROFIT INURING TO ANYONE AS A RESULT OF

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THE OPERATION. In addition, the organization must fall within one of the following categories:

1) CHARITABLE ORGANIZATION: AN ORGANIZATION ORGANIZED AND OPERATED TO BENEFIT AN INDEFINITE NUMBER OF THE PUBLIC:

2) EDUCATIONAL ORGANIZATION: AN ORGANIZATION ORGANIZED AND OPERATED TO PROVIDE SYSTEMATIC INSTRUCTION IN USEFUL BRANCHES OF LEARNING BY METHODS COMMON TO SCHOOLS AND INSTITUTIONS OF LEARNING WHICH COMPARE FAVORABLY IN THEIR SCOPE AND INTENSITY WITH THE COURSE OF STUDY PRESENTED IN TAX SUPPORTED SCHOOLS. Public schools and school districts are not eligible for regular licenses;

3) RELIGIOUS ORGANIZATION: ANY CHURCH, CONGREGATION, SOCIETY, OR ORGANIZATION FOUNDED FOR THE PURPOSE OF RELIGIOUS WORSHIP;

4) FRATERNAL ORGANIZATION: AN ORGANIZATION OF PERSONS, INCLUDING ETHNIC ORGANIZATIONS, HAVING A COMMON INTEREST, ORGANIZED AND OPERATED EXCLUSIVELY TO PROMOTE THE WELFARE OF ITS MEMBERS AND TO BENEFIT THE GENERAL PUBLIC ON A CONTINUING AND CONSISTENT BASIS;

5) VETERANS ORGANIZATION: AN ORGANIZATION COMPRISED OF MEMBERS OF WHICH SUBSTANTIALLY ALL ARE INDIVIDUALS WHO ARE VETERANS OR SPOUSES, WIDOWS, OR WIDOWERS OF VETERANS, THE PRIMARY PURPOSE OF WHICH IS TO PROMOTE THE WELFARE OF ITS MEMBERS AND TO PROVIDE ASSISTANCE TO THE GENERAL PUBLIC IN SUCH A WAY AS TO CONFER A PUBLIC BENEFIT;

6) LABOR ORGANIZATION: AN ORGANIZATION COMPOSED OF LABOR UNIONS OR WORKERS ORGANIZED WITH THE OBJECTIVE OF BETTERMENT OF THE CONDITIONS OF THOSE ENGAGED IN SUCH PURSUIT AND THE DEVELOPMENT OF A HIGHER DEGREE OF EFFICIENCY IN THEIR RESPECTIVE OCCUPATIONS~~.~~ ~~Organizations composed of other labor organizations and not of workers are not eligible for a regular license~~;

7) YOUTH ATHLETIC ORGANIZATION: AN ORGANIZATION HAVING AS ITS EXCLUSIVE PURPOSE THE PROMOTION

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AND PROVISION OF ATHLETIC ACTIVITIES FOR YOUTH AGED 18 AND UNDER. Marching bands and drum and bugle corps are considered to be promoting and providing athletic activities. A youth athletic organization otherwise eligible for a regular license does not lose its eligibility because youths served by the organization become nineteen while participating in an athletic activity within a season of definite duration;

8) SENIOR CITIZENS ORGANIZATION: AN ORGANIZATION OR ASSOCIATION COMPRISED OF MEMBERS OF WHICH SUBSTANTIALLY ALL ARE INDIVIDUALS WHO ARE 55 YEARS OF AGE OR OLDER, OR WHO ARE NEARING THE AGE OF 55 AND FOR WHOM OPPORTUNITIES FOR EMPLOYMENT AND PARTICIPATION IN COMMUNITY LIFE ARE UNAVAILABLE OR SEVERELY LIMITED AND WHO, AS A RESULT THEREOF, HAVE DIFFICULTY IN MAINTAINING SELF-SUFFICIENCY AND CONTRIBUTING TO THE LIFE OF THE COMMUNITY. THE PRIMARY PURPOSE OF THE ORGANIZATION MUST BE THE PROMOTION OF THE WELFARE OF ITS MEMBERS.

b) Applications. Application for a regular license must be made on the form prescribed by the Department, and must be accompanied by a license fee of $200 in the form of a certified check or money order payable to the Illinois Department of Revenue. The Department will not consider applications which are not substantially complete, or which are not accompanied by the information described below.

1) Renewal applications. An application for renewal of a current regular license must be accompanied by the following information:

A) A report, on a form provided by the Department or on a reasonable facsimile thereof, which contains the same information requested on the Department's form, accounting for the disposition of the gross proceeds derived from bingo during the period covered by the report. (See Section 430.180(a));

B) The names of the members of the organization and the auxiliary organization (substantially all of whose members are spouses of members of the sponsoring organization) who will be workers at the bingo sessions (other than the "Operators" whose names are shown on the application form). ~~The~~ A presiding officer or operator of the organization must certify that the listed members have belonged to the organization for at least 30 days prior to participation in the organization's bingo sessions;

C) Any other information requested by the Department which is necessary to establish the continued eligibility of the organization for a regular license.

2) New applications. An organization applying for a regular license for the first time, or an organization which has held a regular license that expired prior to the receipt by the Department of a substantially complete application for renewal of the license, must submit the following information in addition to the completed application form;

A) Documentary evidence sufficient to show that the organization meets the eligibility requirements of subsection (a) above. Such documentation ~~should include, when applicable, a copy of the organization's~~ (by-laws, constitution, charter, minutes of past meetings, promotional material, and Articles or Incorporation) should prove that the organization has been carrying out its objectives for the 5 years preceding application.

B) A copy of the letter or any other document issued to the organization by the Attorney General showing that the organization has registered, or is exempt from registration, under "An Act to regulate solicitation and collection of funds for charitable purposes, providing for violations thereof, and making an appropriation therefor". (Ill. Rev. Stat. ~~1981~~ 1989, ch. 23, par. 5101 et seq.);

C) The names of the members of the organization and the auxiliary organization (substantially all of whose members are spouses of members of the sponsoring organization) who will be workers at the bingo sessions (other than the "Operators" whose names are shown on the application form). ~~The~~ A presiding officer or operator of the organization must certify that the listed members have belonged to the organization for at least 30 days prior to participation in the organization's bingo sessions;

D) Any other information requested by the Department which is necessary to establish the eligibility of the organization for a regular license;

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E) The application must also be accompanied by a bond equal to the applicant's anticipated average quarterly tax liability, as described in Section 430.170 below. The bond may be a bond from a surety company or may be a bank certificate of deposit made payable to the Director of the Department. The bond may also be a personal surety bond signed by two personal sureties who have filed, with the Department, sworn statements disclosing net assets equal to at least three times the amount of the bond to be required of such applicant. The Department will require an additional bond whenever the bond already posted does not cover the licensee's average quarterly tax liability, or if in the Department's judgment the amount of bond or other security is not sufficient to protect the State against failure to pay the amount which may become due from the licensee. In determining whether to require the furnishing of additional bond or other security by a licensee, the Department will consider payment history, general financial condition, and any other factors which reasonably indicate increased risk of nonpayment of the licensee's tax liability.

c) ~~Except--as--provided--in--subsection--(d)--below,--~~eEach regular license shall be valid for one year from its date of issuance. It is the policy of the Department to mail a renewal application to each regular licensee at least 30 days prior to the expiration of the license. However, failure to receive a renewal application does not excuse a licensee of its obligation to submit a substantially complete renewal application prior to the expiration of its current license. If the licensee fails to file a substantially complete renewal application prior to the expiration of its license, it must cease bingo activities until a renewal license is issued.

~~d) For--all--regular--licenses--which--expire--at--midnight,--June--30,--1983,--and for--which--renewal--applications--are--submitted,--the--following--license expiration--dates--and--license--fees--will--apply:~~

~~1) Licenses--B-1--through--B-500--will--expire--September--30,--1984. The--license--fee--is--$250;~~

~~2) Licenses--B-501--through--B-1100--will--expire--June--30,--1984.---The license--fee--is--$200;~~

~~3) Licenses--B-1101--through--B-1800--will--expire--March--31,--1984. The--license--fee--is--$150;~~

~~4) Licenses--B-1801--and--higher--will--expire--December--31,--1983. The--license--fee--is--$100.~~

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ed) Special operator's permits (special permits). A regular license entitles the licensee to obtain up to two special permits each license year. A special permit authorizes the licensee to conduct one session per day for up to seven consecutive days on premises other than those used by the organization for bingo under its regular license. A licensee may conduct bingo at the Illinois State Fair or any county fair held in Illinois during each day that the fair is in effect, such bingo games therein conducted shall not require a special operator's permit.

The licensee must, however, notify the Department in writing 30 days before the desired starting date of the days the bingo will be conducted and the location.

1) To apply for a special permit a licensee must submit a request for the permit, in writing, to the Illinois Department of Revenue, ~~Application--Processing--Unit,--Post--Office--Box--4005,~~ Office of Bingo and Charitable Games, Post Office Box 19480, Springfield, Illinois ~~62708~~ 62794. The request must state the proposed date(s), beginning and ending times, and location of the sessions to be played under the special permit. If the person or organization providing the premises for bingo under the special permit has a provider's license issued by the Department, the provider's license number must be included in the request, and a copy of any lease or rental agreement must accompany the request.

2) Requests for special permits should be received by the Department at least 30 days before the desired starting date for the special permit. The Department will approve or deny such requests no later than one week prior to the desired starting date. Requests received by the Department less than 30 days before the desired starting date will be accepted, and the Department shall make every reasonable effort to approve or deny the request before the desired starting date, but in no case may any licensee conduct special bingo sessions without having in its possession a special permit issued by the Department, or without having been informed by the Department that the request has been approved.

3) An organization may not conduct bingo under both its regular license and a special permit on the same day.

~~4) Organizations--licensed--for--the--period--from--July--1,--1983 through--September--30,--1984,--shall--be--eligible--for--an--additional~~

~~special permit during the period from July 1, 1984 through September 30, 1984.~~

~~f~~e) A regular license authorizes the licensee to conduct bingo only at the location, on the day, and during the time period stated on the license. If a licensee wishes to change the location, day or time of its bingo, it may do so by requesting, in writing, an amended license. No additional fee will be charged for the first amended license in any one license year. Second and subsequent requests for changes in the location, day or time of bingo will be treated as applications for a new license, and must be accompanied by an application fee of $200. The Department will not permit a licensee to conduct bingo on any day other than the day stated on the license when the change is requested because a holiday falls on the day stated on the license. Bingo sessions cancelled by the licensee for any reason, including inclement weather, may not be made up at a later date.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 430.120 Limited Licenses

a) Eligibility. Any organization which would be eligible for a regular license but which does not hold one is eligible for a limited license to conduct bingo. A limited license authorizes the licensee TO CONDUCT BINGO AT NO MORE THAN TWO INDOOR OR OUTDOOR FESTIVALS DURING THE CALENDAR YEAR FOR WHICH THE LICENSE IS ISSUED FOR A MAXIMUM OF FIVE CONSECUTIVE DAYS ON EACH OCCASION.

b) Applications. The application for a limited license must be made on the form prescribed by the Department, and must be accompanied by a license fee of $50 in the form of a certified check or money order payable to the Illinois Department of Revenue. Renewal applications must be accompanied by the same information required of organizations applying for renewal of a regular license (see Section 430.110(b)(1)). New applications must be accompanied by the same information required of organizations applying for a new regular license (see Section 430.110(b)(2)).

c) Substantially complete applications accompanied by all required information must be received by the Department at least 30 days before the desired starting date for the limited license. The Department will approve or deny such applications no later than one week prior to the desired starting date.

d) Each limited license shall be valid for one year from its date of issuance. A limited license authorizes the licensee to conduct bingo only at the location, on the dates, and during the time period stated on the license.

e) All provisions of these rules governing the conducting of bingo by regular licensees also apply to limited licensees unless the context clearly requires otherwise.

f) Limited licensees are not required to establish a separate checking account. Gross proceeds can be deposited into an organization's general account. The licensees are required to complete Form RB-32, Expenditure of Funds Earned Through Bingo, detailing the expenditures of all bingo proceeds and provide all financial information requested.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 430.130 Suppliers Licenses

a) ANY PERSON, FIRM, OR CORPORATION WHICH SELLS, LEASES, OR DISTRIBUTES, TO ANY ORGANIZATION LICENSED TO CONDUCT BINGO OR TO ANY LICENSED BINGO SUPPLIER, CARDS, BOARDS, SHEETS, MARKERS, PADS AND ANY OTHER SUPPLIES, DEVICES AND EQUIPMENT DESIGNED FOR USE IN THE PLAY OF BINGO must obtain a license therefor from the Department.

b) Applications. Application for a suppliers license must be made on the form prescribed by the Department, and must be accompanied by a license fee of $200 in the form of a certified check or money order payable to the Illinois Department of Revenue. Each suppliers license is valid for one year from its date of issuance.

c) ~~Every licensed supplier shall, within 30 days after the end of each calendar quarter, submit to the Department a list of all persons or organizations in Illinois, whether or not such persons or organizations are licensed under the Act, to whom bingo supplies, devices and equipment were sold during the quarter. The list shall include the name and address of the purchaser of bingo supplies, and, if the purchaser is licensed under the Act, the license number. In lieu of such a list, licensed suppliers may submit copies of all invoices of sales of bingo supplies, devices and equipment in Illinois~~ All suppliers shall inform the Department of the exact location of the storage of all supplies and equipment. Within 30 days after the end of each calendar quarter during which a supplier's license was in effect; the supplier shall file a return with the Department listing

all sales and leases of bingo supplies and equipment for such quarter and gross proceeds derived from each such sale or lease. A supplier shall keep books and records for the furnishing of bingo supplies and equipment separate and distinct from any other business the supplier might operate. A supplier shall maintain all such books and records for a period of at least three years and must allow inspection of the books and records by agents or employees of the Department during reasonable business hours.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 430.160 Restrictions and Limitations on the Conducting of Bingo

The following restrictions and limitations on the conducting of bingo apply to any bingo session conducted by any licensed organization.

a) License

1) No organization may conduct bingo without having in its possession a valid license issued by the Department. No organization may continue to conduct bingo after the expiration date shown on its license unless the Department has received a substantially complete renewal application and the information required by subsections (b)(1)(A) and (B) of Section 430.110. An organization which violates the restriction in the ~~preceeding~~ preceding sentence, but which submits a substantially complete renewal application within 30 days after the expiration of its license, shall be penalized as provided in Section 430.190(c)(2). If the Department has received a substantially complete renewal application and accompanying information prior to the expiration of a regular license, but has not issued the renewed license as of the expiration date, the organization may continue to conduct bingo, and the organization's expired license shall continue in effect until the Department notifies the organization of the decision on the renewal application. If the Department approves the renewal application, the date of issuance of the renewed license shall be the date following the expiration date of the expired license. If the Department denies the renewal application, and the organization protests the Department's denial as provided in Section 430.190, the expired license shall continue in effect until the Department issues a final administrative decision on the protest, or until the protest is otherwise resolved.

2) EVERY ORGANIZATION SHALL DISPLAY ITS LICENSE IN A PROMINENT PLACE IN THE AREA WHERE IT IS TO

CONDUCT BINGO. A bingo session may be conducted in two or more separate areas on the premises for which the license is issued. In such case the license shall be displayed in the area in which the person calling the numbers is located.

3) No license will be issued for any bingo session beginning less than two hours after the conclusion of a prior session conducted on the same premises. However, this restriction shall not apply to special permits or limited licenses to conduct bingo at the State Fair conducted by the Illinois Department of Agriculture pursuant to Section 5 of the State Fair Act (Ill. Rev. Stat. ~~1981~~ 1989, ch. 127, par. 1705) or at any county fair as that term is defined in Section 3 of the Agricultural Fair Act (Ill. Rev. Stat. ~~1981~~ 1989, ch. 85, par. 652).

b) Games. A bingo "game" consists of the calling of numbers from one to seventy-five, one at a time without replacement, until one or more winners are determined by the completion of one or more predetermined patterns of numbers on a bingo card.

1) An organization may not conduct more than 25 games during a bingo session, except organizations holding a special operator's permit or a limited license may, as one of the occasions allowed by such license or permit, conduct bingo for a maximum of 2 consecutive days, during each day of which the number of games may exceed 25. Further, the 25 game restriction shall not apply to bingo conducted at the Illinois State Fair or any county fair held in Illinois. The statutory monetary limit on the prizes is always applicable. A maximum of five games may be designated "special games". Special games are distinguished from regular games only by the maximum price that may be charged for the bingo cards used. The five special games limit shall not apply to Bingo conducted at the Illinois State Fair or any county fair held in Illinois.

2) Regular game cards may be sold for a maximum of one dollar a piece, and each regular card must be valid for all regular games in a bingo session. However an organization holding a special operator's permit or a limited license may, on one of the occasions allowed by such license or permit, sell regular game cards which need not be valid for all regular games. Special game cards may be sold for a maximum of 50 cents each~~, and each special card must be valid for all special games in a session. Additional regular and special cards may be~~

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~~sold--during--a--session,--but--all--regular--or--special--cards, whenever-sold,-must-be-valid-for-all-regular-or-special-games, as--the--case--may--be,--conducted--after--the--cards--are--sold. (Example:---An-organization-conducts-an-"early-bird"-game-for which-50-cent-cards-are-sold,-and-then-sells-cards-for-a-dollar for-twenty-regular-games.----After--the-twentieth-regular-game, the-organization-conducts-a-"split-the-pot"-game,-selling-cards for-50-cents,-and-not-permitting-the-regular-game-cards-to-be used.----In-this-case,-all-cards-sold-for-the-"early-bird"-game must-be-valid-for-the-"split-the-pot"-game.).~~

3) To be "valid" for a game, a card must be eligible for the same prize as any other card used in that game, except that cards sold for different prices may be eligible for different prizes, provided that the ratios of the prices and prizes are equal. (Example: An organization sells regular cards for either one dollar or 50 cents. The prize for a bingo on a one dollar card may be twice as large as the prize for a bingo on a 50 cent card. Note: This restriction does not apply in cases where the difference in the price of cards is due to a volume discount, e.g. one card for a dollar or six cards for five dollars.)

c) Prizes

1) THE AGGREGATE RETAIL VALUE OF ALL PRIZES OR MERCHANDISE AWARDED IN ANY BINGO SESSION MAY NOT EXCEED $2,250, EXCEPT THAT IN ANY ADJOINING COUNTIES HAVING 200,000 TO 275,000 INHABITANTS EACH, AND IN COUNTIES WHICH ARE ADJACENT TO EITHER OF SUCH ADJOINING COUNTIES AND ARE ADJACENT TO A TOTAL OF NOT MORE THAN 2 COUNTIES IN THIS STATE, AND IN ANY MUNICIPALITY HAVING 2,500 OR MORE INHABITANTS AND WITHIN ONE MILE OF SUCH ADJOINING AND ADJACENT COUNTIES HAVING LESS THAN 25,000 INHABITANTS, 2 ADDITIONAL BINGO GAMES MAY BE CONDUCTED AND THE VALUE OF ALL PRIZES AWARDED MAY NOT EXCEED $3,250 IN A SINGLE DAY. [Currently, Madison, Monroe and St. Clair counties, and the city of Red Bud, qualify for additional games.] THE PRIZE AWARDED FOR ANY ONE GAME SHALL NOT EXCEED $500 CASH OR ITS EQUIVALENT.

2) An organization holding a special operator's permit or a limited license may, as one of the two annual occasions allowed by such permit or license, award only noncash prizes for which there is no monetary retail value limit imposed, provided that the retail value of noncash prizes for any single game shall not exceed $150. There is no minimum prize requirement.

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~~2~~3) The aggregate retail value of all merchandise, cash, or bingo cards awarded in any bingo session as door or attendance prizes may not exceed $500, and shall be considered part of the applicable maximum ~~of---$2,250~~---limit in prizes or merchandise that may be awarded in any bingo session. In games conducted pursuant to a special operator's permit or a limited license, and awarding only noncash prizes, the prize awarded for any one game may not exceed a retail value of $150. There is no minimum prize requirement.

d) Management and Operation of Bingo

1) NO PERSON EXCEPT A BONA FIDE MEMBER OF THE LICENSED ORGANIZATION OR A BONA FIDE MEMBER OF AN AUXILIARY ORGANIZATION (SUBSTANTIALLY ALL OF WHOSE MEMBERS ARE SPOUSES OF MEMBERS OF THE SPONSORING ORGANIZATION) MAY PARTICIPATE IN THE MANAGEMENT OR OPERATION OF THE BINGO SESSION, either as an operator or a worker. Participation in the management or operation of the bingo session includes selling cards, calling numbers, confirming and paying winners, and handling or counting the proceeds from the sale of cards while the session is in progress.

A) Operators are the persons directly responsible for managing and operating the game, filing returns and paying the tax, and who have signed the application for license or amended statement thereto. In addition, operators must have been bona fide members of the organization, or an auxiliary organization, for at least one year immediately preceding the dates upon which they are designated as operators. However, the presiding officer and secretary of the organization are deemed to be operators without regard to the length of their membership in the organization. No bingo session may be conducted unless an operator is present.

B) Workers are any persons, other than operators, participating in the management and operation of a bingo session. They must have been bona fide members of the organization, or an auxiliary organization, for at least 30 days prior to their

bingo session. Their names must appear on the list of workers, or any amendments thereto, accompanying the organization's application, as provided in Sections 430.110 (b)(1)(B) and (b)(2)(C), and Section 430.120(b).

2) NO PERSON MAY RECEIVE ANY REMUNERATION OR PROFIT FOR PARTICIPATING IN THE MANAGEMENT OR OPERATION OF A BINGO SESSION. Meals for bingo workers on the day they participate in the management or operation of a bingo session and an annual banquet or party for bingo workers do not constitute "remuneration or profit", provided that the per capita value of such meals or parties is not so great as to constitute a significant inducement to participate in the management or operation of the organization's bingo sessions.

3) No person may participate in the management or operation of the bingo sessions of more than two licensed organizations.

e) Illegal Gambling and Raffles

1) Unlicensed raffles or other forms of gambling prohibited by law shall not be conducted on the premises where bingo is being conducted. Illegal gambling includes, but is not limited to, ~~the sale of pull tabs and jar games, and~~ gambling among those in attendance at the bingo session.

2) Bona fide raffles, including the selling of chances and the determining of winners, licensed pursuant to "An Act to provide for licensing and regulating certain games of chance and amending certain Acts herein named" (Ill. Rev. Stat. ~~1981~~ 1989, ch. 85, par. 2301 et seq.) may be conducted at bingo sessions. (Note that raffle licenses are issued by the governing bodies of counties and municipalities; the Department does not license raffles.) A "bona fide" raffle is defined as one in which, if the raffle is conducted entirely during a bingo session, the gross receipts from the sale of chances approximates the retail value of the prizes awarded, and the receipt or purchase of raffle chances or the determination of the raffle winners are in no way conditioned upon participation in the bingo session of any licensed organization, either as a player or as a worker.

3) Pull tabs and jar games conducted under the Illinois Pull Tabs and Jar Games Act may be conducted. Prizes awarded in these games shall not be included in the bingo prize limitation.

f) Miscellaneous Provisions

1) THE ENTIRE NET PROCEEDS FROM BINGO MUST BE EXCLUSIVELY DEVOTED TO THE LAWFUL PURPOSES OF THE LICENSED ORGANIZATION.

2) All advertising by a licensed organization regarding the conducting of its bingo sessions shall contain the name and bingo license number of the organization. Licensed organizations may not participate in joint advertising with other licensed organizations.

3) No admission fee may be charged for entrance onto premises on which bingo is to be conducted, nor may any minimum requirement be imposed as to the purchase of bingo cards.

4) NO PERSON UNDER THE AGE OF 18 YEARS MAY PLAY OR PARTICIPATE IN THE CONDUCTING OF BINGO. ANY PERSON UNDER THE AGE OF 18 YEARS MAY BE WITHIN THE AREA WHERE BINGO IS BEING PLAYED ONLY WHEN ACCOMPANIED BY HIS OR HER PARENT OR GUARDIAN.

5) No licensed organization shall purchase or lease any bingo supplies or equipment other than from a person or organization licensed under the Act.

6) NO LICENSEE UNDER THE ACT, WHILE A BINGO SESSION IS BEING CONDUCTED, SHALL KNOWINGLY PERMIT THE ENTRY INTO ANY PART OF THE PREMISES BY ANY PERSON WHO HAS BEEN CONVICTED OF A FELONY OR A VIOLATION OF ARTICLE 28 OF THE "CRIMINAL CODE OF 1961".

(Source: Amended at ___ Ill. Reg. _____, effective _____)

Section 430.180 Records; Audits

a) Except as provided in subsection (b) below and Section 430.120(f), each licensed organization must establish a separate checking account into which its gross proceeds from bingo (less cash prizes awarded) must be deposited. All expenditures of bingo proceeds (other than cash prizes) must be by checks, having consecutive numbers, payable to a specific person or organization. No checks shall be written to "cash". The amount of receipts from bingo, the amount

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of prizes awarded, and the deposits and expenditures from the bingo checking account shall be reported on a form provided by the Department and submitted annually along with the organization's application for renewal of its bingo license (see Section 430.110(b)(1)(A)).

b) If a licensed organization is affiliated with and chartered by a national organization, and is prohibited by the national organization from establishing a separate checking account for bingo, the licensed organization may satisfy the requirements of subsection (a) above by submitting, along with the application for renewal of its license, a copy of an audit performed by the national organization of the licensed organization's books and records covering the most recently completed fiscal year of the licensed organization. In addition, the licensed organization shall maintain a separate ledger account for its bingo receipts and expenditures, a full report of which shall be submitted with the renewal application.

c) Every licensed organization must keep all records, receipts, checks and any documents used in preparing the reports described in subsections (a) and (b) above for a period of three years following the submission of the report. In addition, every licensed organization must have a current membership list. Such records and list shall be available for inspection by representatives of the Department during reasonable business hours.

d) When the Department has information indicating that any person or organization licensed under the Act has not paid the full amount of tax due, has not provided the Department with accurate information concerning revenues from bingo, or is using proceeds from bingo in an unlawful manner, the Department, by the Director, will require the licensee to obtain from an Illinois certified public accounting firm, at the licensee's own expense, a certified and unqualified financial statement of records of the licensee. The statement must be submitted to the Department within 90 days after notice is received by the licensee.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 430.190 Denial, Suspension, or Revocation of Licenses

~~a) The Department will deny the application of any organization which does not satisfy all eligibility requirements for the license for which application is made, or which is ineligible for a license under Section 430.150(a).~~

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~~b) The Department will suspend the license of any organization which, during the license year, becomes ineligible for any reason. The suspension shall continue until the organization again becomes eligible, or until the license expires.~~

~~c) The Department will suspend or revoke the license of any person or organization violating the Act or these rules, according to the schedule below:~~

~~1) For violation of subsections (d)(1) and (2), and (e)(1) and (2) of Section 430.160, for carrying on any activity required to be licensed under the Act while the license is under suspension, or for conducting bingo at a time, location, or on a day other than as stated on the license, the following penalties apply:~~

~~A) For the first offense during any two year period the penalty shall be suspension of the license for from four to eight weeks;~~

~~B) For the second offense during any two year period the penalty shall be revocation of the license. (Example: Licensee X sells illegal jar game tickets at its bingo session, and its license is suspended for four weeks. During the suspension period X conducts its regularly scheduled bingo session. X's license will be revoked.)~~

~~2) For violation of any other provision of the Act or these rules the following penalties apply:~~

~~A) For the first offense during any two year period the penalty shall be an official warning from the Department, or suspension of the license for from one to two weeks;~~

~~B) For the second offense during any two year period the penalty shall be suspension for from three to five weeks;~~

~~C) For the third offense during any two year period the penalty shall be suspension for from six to eight weeks;~~

~~D) For the fourth offense during any two year period the penalty shall be revocation of the license.~~

~~3) As used in these rules, "offense" means one or more violations by a licensee for which the Department imposes a penalty. When imposing a penalty against the licensee, the~~

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~~Department will consider all violations, including multiple or continuing violations, of which the Department has or should have knowledge at the time the Department mails notification of the penalty to the licensee.~~

~~4) In determining the length of a suspension for an offense the Department will consider the number and duration of violations involved, the licensee's history of compliance with the Act and these rules, whether the violations were willful, and any other mitigating or aggravating circumstances relevant to the violations.~~

~~d) Notification of Denial, Suspension, or Revocation; Requests for Hearing.~~

~~1) The Department will send notice of the denial of an application or the suspension or revocation of a license by certified mail, return receipt requested, to the applicant or licensee at the mailing address stated on the application. The notice will include the reasons for the Department's action and the penalty imposed for the offense.~~

~~2) An applicant or licensee may request a hearing to contest the Department's denial, suspension or revocation. The request shall be in writing, and must be received by the Department within 20 days after the date the notice of denial, suspension or revocation was mailed by the Department to the applicant or licensee.~~

~~3) The effective date of a suspension will be not less than 25 days after the date the Department mails the notice to the licensee. If the licensee requests a hearing within 20 days as provided in subsection (d)(2) above, the effective date of any suspension is stayed pending the outcome of the hearing, and the licensee may continue to operate under the license. If a license expires during a stay of suspension, the licensee may continue to operate only if a substantially complete renewal application and application fee have been received by the Department prior to the expiration of the license. In cases of revocation, the Department finds that the public interest imperatively requires emergency action, and any revoked license is summarily suspended upon receipt of the notice of revocation by the licensee.~~

~~4) If, after a hearing, the Department's action is upheld, the Department may modify the penalty originally imposed, but only within the range of penalties for the offense as set forth in subsection (c)(1) and (2) above. Any modification of a penalty shall be at the discretion of the hearing officer, based solely on any mitigating or aggravating circumstances relevant to the violations which are presented at the hearing.~~

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~~e) Duration of Revocation and Suspension.~~

~~A) A licensee whose license is revoked is ineligible for any license under the Act for one year from the date the license is summarily suspended as provided in subsection (d)(3) above.~~

~~B) If a license expires during a period of suspension, and the licensee submits the appropriate application and fee for renewal of the license prior to its expiration, the suspension will apply to the renewed license as though the suspended license had not expired. If the licensee does not submit a renewal application prior to the expiration of the suspended license, the licensee is ineligible for any license under the Act until, the suspension would have ended had the license been renewed.~~

~~C) When a suspension becomes effective the licensee shall surrender the license, on request, to the Department's Investigative Services Bureau. The license will be returned when the period of suspension expires.~~

a) The Department will deny the application of any person or organization which does not satisfy all eligibility requirements for the license for which application is made, or which is ineligible for a license under Section 430.150(a).

b) The Department will suspend the license of any person or organization which, while its license is in effect, becomes ineligible for any reason. The suspension will remain in force until the person or organization regains eligibility.

c) The Department will issue a warning to, suspend, or revoke the license of any person or organization violating the Act or this Part.

1) Suspensions and revocations imposed under this subsection, will range in duration from one day to one year. The choice and duration of sanctions will be made on a case by case basis, and will be based on the licensee's history of compliance; the number, seriousness, and duration of violations; the cooperation extended to the Department by

sanctions imposed on others by the Department under similar circumstances.

2) The effective date of a suspension will be not less than 25 days after the date the Department mails the notice to the licensee. If the licensee requests a hearing within 20 days as provided in subsection (d)(2) below, the effective date of any suspension is stayed pending the outcome of the hearing, and the licensee may continue to operate under the license. If a license expires during a stay of suspension, the licensee may continue to operate only if a substantially complete renewal application and application fee have been received by the Department prior to the expiration of the license. In cases of revocation, the Department finds that the public interest imperatively requires emergency action, and any revoked license is summarily suspended upon receipt of the notice of revocation by the licensee.

d) Notification of denial, warning, suspension, or revocation, requests for hearing:

1) The Department will send notices of denial, warning, suspension, or revocation by certified mail, return receipt requested, to the applicant or licensee at the mailing address stated on the applicant's or licensee's most recent license application. All such notices will include a statement of the reasons for the Department's action.

2) An applicant or licensee may request a hearing to contest the Department's action pursuant to 86 Ill. Adm. Code 200. The request shall be in writing, and must be received by the Department within 20 days after the date the Department mailed the notice of its action to the applicant or licensee.

e) ANY PERSON WHO VIOLATES THE ACT, OR ANY PERSON WHO FILES A FRAUDULENT RETURN UNDER THE ACT, OR ANY PERSON WHO WILLFULLY VIOLATES THIS PART, OR ANY OFFICER OR AGENT OF A CORPORATION LICENSED UNDER THE ACT WHO SIGNS A FRAUDULENT RETURN FILED ON BEHALF OF SUCH CORPORATION IS GUILTY OF A CLASS A MISDEMEANOR.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 430.200 Civil Penalties

a) ANY ORGANIZATION WHICH CONDUCTS BINGO WITHOUT A LICENSE, OR ANY ORGANIZATION LICENSED TO CONDUCT BINGO WHICH ALLOWS ANY FORM OF ILLEGAL GAMBLING TO BE CONDUCTED ON THE PREMISES WHERE BINGO IS BEING CONDUCTED, SHALL BE ~~ASSESSED BY THE DEPARTMENT~~ SUBJECT TO A CIVIL PENALTY EQUAL TO THE AMOUNT OF GROSS PROCEEDS DERIVED ON THAT DAY FROM BINGO AND ANY OTHER ILLEGAL GAME THAT MAY HAVE BEEN CONDUCTED. The Department shall determine the amount of gross proceeds based on information available to the Department and its judgment of all the facts of each particular case and assess a penalty. The amount of the penalty shall be on a case-by-case basis, and will be based on the licensee's history of compliance; the number, seriousness, and duration of violations; the cooperation extended to the Department by licensees in discontinuing and correcting violations; and the sanctions imposed on others by the Department under similar circumstances.

b) ANY PERSON OR ORGANIZATION, EXCEPT A MUNICIPALITY EXEMPT FROM LICENSING UNDER SECTION 430.140, WHICH PROVIDES PREMISES FOR CONDUCTING BINGO WITHOUT HAVING A LICENSE TO DO SO, OR ANY PERSON OR ORGANIZATION LICENSED TO PROVIDE PREMISES WHICH ALLOWS AN UNLICENSED ORGANIZATION TO CONDUCT BINGO ON HIS PREMISES, OR ALLOWS ANY FORM OF ILLEGAL GAMBLING TO BE CONDUCTED ON THE PREMISES WHERE BINGO IS BEING PLAYED SHALL BE ~~ASSESSED BY THE DEPARTMENT~~ SUBJECT TO A CIVIL PENALTY OF $5,000.

c) In any case where an organization conducts bingo without a license, or where a licensed organization conducts bingo on a day, or at a time or place for which it is not licensed, the Department ~~will~~ has the authority to confiscate all bingo equipment used in the conduct of those unlicensed games.

d) Notice of assessment of a civil penalty shall be sent by certified mail, return receipt requested. The person or organization against whom a civil penalty has been assessed shall remit, by certified check or money order payable to the Illinois Department of Revenue, the full amount of the penalty within 30 days from the date the notice was mailed unless, within the 30 days, the Department receives a request for a hearing, in which case the imposition of the civil penalty is stayed pending the outcome of the hearing.

e) When bingo equipment is confiscated under subsection (c) above, the person or organization who was entitled to possession of the

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equipment at the time of confiscation may, within 30 days of the date of confiscation, request, in writing, a hearing. The sole issue at such hearing shall be whether bingo was conducted without a license, or on a day, or at a time or place for which the organization was not properly licensed.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

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1) Heading of Part: Charitable Games Act

2) Code Citation: 86 Ill. Adm. Code 435

3)

Section Numbers:	Proposed Action:
435.100	Amendment
435.110	Amendment
435.120	Amendment
435.130	Amendment
435.140	Amendment
435.160	Amendment
435.170	Amendment
435.180	Amendment
435.190	Amendment
435.200	Amendment
435.210	Amendment
435.220	Amendment

4) Statutory Authority: Ill. Rev. Stat. 1989, ch. 120, pars. 1121 et seq.

5) A Complete Description of the Subjects and Issues Involved:

Implements statutory amendments

6) Will this proposed rule replace an emergency rule currently in effect: No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part: No

10) Statement of Statewide Policy Objectives: This rulemaking will have no effect on units of local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rule may submit them in writing by no later than 45 days after publication of this notice to:

Mr. R. Dale Yung
Administrator
Illinois Department of Revenue
Legal Services Bureau
101 West Jefferson
Springfield, Illinois 62708

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12) Initial Regulatory Flexibility Analysis:

A Date rule was submitted to the Small Business Office of the Department of Commerce and Community Affairs: January 24, 1991

B) Types of small businesses affected: Those organizations holding licenses.

C) Reporting, bookkeeping or other procedures required for compliance: None

D) Types of professional skills necessary for compliance: None

The full text of the Proposed Amendment(s) begins on the next page:

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TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUEPART 435
CHARITABLE GAMES ACT

Section
435.100 Introduction
435.110 Definitions
435.120 Charitable Games Licenses
435.130 Supplier's Licenses
435.140 Provider's Licenses
435.150 Ineligibility for License
435.160 Operation of Charitable Games Events
435.170 Restrictions and Limitations on the Conducting of Charitable Games
435.180 Imposition of Tax, Returns
435.190 Records; Audits
435.200 Denial, Suspension, or Revocation of Licenses
435.210 Criminal and Civil Penalties
435.220 State-Local Relations

AUTHORITY: Implementing and authorized by the Charitable Games Act (Ill. Rev. Stat. 1989, ch. 120, pars. 1121 et seq.).

SOURCE: Emergency Rule adopted at 10 Ill. Reg. 15687, effective September 15, 1986, for a maximum of 150 days; adopted at 11 Ill. Reg. 3722, effective February 10, 1987; peremptory amendments at 11 Ill. Reg. 10702, effective May 26, 1987; amended at ____ Ill. Reg. _____, effective _____.

NOTE: Capitalization denotes statutory language.

Section 435.100 Introduction

This Part implements the Charitable Games Act (P.A. 84-1303, effective September 1, 1986) (hereafter referred to as "the Act" which was adopted by the General Assembly to allow not-for-profit charitable, religious, fraternal, labor, educational, and religious organizations to raise funds by conducting casino-type gaming events. ~~Two o~~Other forms of charitable gaming, bingo, ~~and~~ raffles, pull tabs and jar games are also legal for play by non-profit licensees ~~have been legally licensed to be conducted by non-profit groups for several years~~. For persons familiar with the rules governing those ~~two~~ activities, some of the following charitable games rules are more restrictive than the bingo and raffle rules. The reason is that the charitable games events authorized by the Act are, to a much greater extent than bingo, subject to the abuses often associated with gambling. In turn, these abuses are more likely to occur because the amounts of money involved are potentially much greater, and the bigger the pot, the greater the danger of involvement by criminal elements. In bingo, the statutory prize limit effectively puts a ceiling on the amount of

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money involved at any single bingo session. At charitable games events, if cash prizes are used, there is a limit on winnings of $250 per person, but no limit on the total amount of cash prizes. Similarly~~,~~ there is no limit on the value of merchandise given as prizes at charitable games events. The General Assembly recognized the increased potential for violations at charitable games events, and the Act is consequently more restrictive in many ways than the Bingo License and Tax Act (Ill. Rev. Stat. ~~1985~~ 1989, ch. 120, par. 1101 et seq.). A few examples: eligibility for charitable games licenses is more limited; the number of events allowed is much smaller; licensees must notify local law enforcement authorities of their charitable games events; the Illinois Department of Revenue (Department) may summarily suspend charitable games licenses before hearings are held; record-keeping requirements are more detailed; and the criminal penalties for violation of the Act are much more severe (a second violation of the Act constitutes a felony). The rules that follow reflect the statutory mandate. Organizations applying for licenses must understand that their failure to comply fully with this Part and to cooperate with the Department's investigative efforts will inevitably mean that long-planned charitable games events will have to be postponed, or even cancelled. At the same time, it is the Department's policy to do everything possible to assist qualified organizations in obtaining licenses and afford these organizations every opportunity to hold a successful fundraiser. Applicants and licensees should not hesitate to contact the Bingo and Charitable Games Division of the Department at 101 W. Jefferson Street P. O. Box 19480, Springfield, Illinois, ~~62708~~ 62794, 217/782-8746, with any questions, problems, or comments that may arise. Finally, the Act and this Part are designed to regulate who may be licensed, where and when charitable games events may be played, and what records must be kept of the funds raised. Except for a few specific provisions in the Act and rules, however, the General Assembly has determined that it is up to each licensee to determine how the casino-type gaming will be played at its own charitable games event. Licensees who suspect that they are being defrauded by players or workers, or that money is being stolen, should immediately contact the Department's ~~Investigative Service Bureau at 312/771-1200~~ Bureau of Criminal Enforcement at 708/771/1200.

Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.110 Definitions

As used in this Part, the terms listed below are defined as follows:

"Act": The Charitable Games Act (P.A. 84-1303, effective September 1, 1986);

"Cash": means coin, currency, checks, marketable securities, or any other similar item that can be readily redeemed or converted into legal tender;

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"Charitable games": The fourteen games of chance involving cards, dice, wheels, random selection of numbers, and gambling tickets enumerated in Section 435.160 which may be conducted at charitable games events;

"Charitable games equipment": Any supplies, devices, equipment, products or materials designed for use or used in the playing of charitable games, including, but not limited to, cards, dice, pull tabs and any related type of gambling ticket, chips, representations of money, and wheels;

"Charitable games event" or "event": The type of fundraising event authorized by the Act at which participants pay to play charitable games for the chance of winning cash or noncash prizes, and which may be conducted only on the date stated on a license issued by the Department, and only between the hours of noon and midnight on that date. A charitable games event is a one-day event; each licensee may be licensed to conduct as many as four one-day events in a license year.

"Charitable games provider": An individual or entity holding a license to provide premises for a charitable game.

"Charitable games supplier": An individual or entity holding a license to provide premises for the conduct of charitable games.

"Chips": Scrip, play money, poker or casino chips, or any other representations of money, used as the only means of making wagers on the outcome of any charitable game;

"Complete application": An application that contains all information necessary for the Department to determine the applicant's eligibility under the Act and this Part.

"Department": The Illinois Department of Revenue, Bingo and Charitable Games Division, ~~101 W. Jefferson~~ P. O. Box 19480, Springfield, Illinois ~~62708~~ 62794;

"License Year": The year beginning on the date a license is issued under the Act, which date is stated on the license;

"Licensee": An organization holding a license to conduct charitable games events;

"Organization": A CORPORATION, AGENCY, PARTNERSHIP, INSTITUTION, ASSOCIATION, FIRM OR OTHER ENTITY

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CONSISTING OF TWO OR MORE PERSONS JOINED BY A COMMON INTEREST OR PURPOSE (Section 2 of the Act);

"Received by the Department" or similar phrases: Whenever this Part requires that any writing or any payment must be received within a specified number of days or by a specified date, the provisions of Section 1.25 of "AN ACT to revise the law in relation to the construction of the statutes" (Ill. Rev. Stat. ~~1985~~ 1989, ch. 1, par. 1026) shall apply.

Source: Amended at ___ Ill. Reg. _____, effective _____)

Section 435.120 Charitable Games Licenses

a) Eligibility. To be eligible for a charitable games license, an applying organization must have been organized in Illinois and must satisfy each of the following conditions of eligibility:

1) THE ORGANIZATION MUST BE A CHARITABLE, RELIGIOUS, FRATERNAL, VETERANS, LABOR, OR EDUCATIONAL ORGANIZATION OR INSTITUTION ORGANIZED AND CONDUCTED ON A NOT-FOR-PROFIT BASIS WITH NO PERSONAL PROFIT INURING TO ANY ONE AS A RESULT OF THE OPERATION AND WHICH IS EXEMPT FROM FEDERAL INCOME TAXATION UNDER SECTION 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(8), 501(c)(10), or 501(c)(19) OF THE INTERNAL REVENUE CODE (Section 2 of the Act), or a veteran's organization as defined in the Bingo License and Tax Act (Ill. Rev. Stat. 1989, ch. 120, par. 1101).

A) For an organization to be considered charitable for purposes of obtaining a charitable games license, its activities must benefit an indefinite number of persons; it must have no capital, capital stock, or ~~share-holders~~ shareholders; its funds must be derived mainly from private and public charity and be held in trust for the objects and purposes expressed in its charter; it must dispense charity to all who need and apply for it; and it must place no obstacles in the way of those seeking the benefits.

B) For an organization to be considered educational for purposes of obtaining a charitable games license, it must be organized and operated to provide systematic instruction in useful branches of learning by methods common to schools and institutions of learning which

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compare favorably in their scope and intensity with the course of study presented in tax-supported schools.

C) For an organization to be considered religious for purposes of obtaining a charitable games license, it must be a church, congregation, society, or organization founded for the purpose of religious worship.

D) For an organization to be considered fraternal for purposes of obtaining a charitable games license, it must be a civic, service or charitable organization, not for pecuniary profit, which is a branch, lodge or chapter of a national or State organization and exists for the common business, brotherhood, or other interest of its members. This does not include a college or high school fraternity or sorority.

E) For an organization to be considered labor for purposes of obtaining a charitable games license, it must be composed of labor unions or workers organized with the objective of betterment of the conditions of those engaged in such pursuit and the development of a higher degree of efficiency in their prospective occupations.

F) For an organization to be considered a veteran's organization for purposes of obtaining a charitable games license, it must be comprised of members of which substantially all are individuals who are veterans or spouses, widows or widowers of veterans, the primary purpose of which is to promote the welfare of its members and to provide assistance to the general public in such a way as to confer a public benefit.

2) THE ORGANIZATION MUST HAVE HAD A BONA FIDE MEMBERSHIP ENGAGED IN CARRYING OUT ITS OBJECTS FOR AT LEAST THE ENTIRE FIVE-YEAR PERIOD IMMEDIATELY PRECEDING APPLICATION (Section 3 of the Act). However, this five-year requirement shall not apply with regard to the following two types of organizations:

A) An organization which has had a bona fide membership engaged in carrying out its objectives for at least the entire two-year period immediately preceding application, and WHICH IS AFFILIATED WITH AND CHARTERED BY A NATIONAL ORGANIZATION

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WHICH MEETS THE FIVE-YEAR REQUIREMENT (Section 3 of the Act).

B) A charitable organization created by a fraternal organization which meets the five-year requirement, and which has the same officers and directors as the fraternal organization. "FRATERNAL ORGANIZATION" MEANS A CIVIC, SERVICE OR CHARITABLE ORGANIZATION IN ILLINOIS, EXCEPT A COLLEGE OR HIGH SCHOOL FRATERNITY OR SORORITY, NOT FOR PECUNIARY PROFIT, WHICH IS A BRANCH, LODGE OR CHAPTER OF A NATIONAL OR ILLINOIS ORGANIZATION AND EXISTS FOR THE COMMON BUSINESS, BROTHERHOOD, OR OTHER INTEREST OF ITS MEMBERS (Section 3 of the Act).

3) AUXILIARY ORGANIZATIONS OF A LICENSEE SHALL NOT BE ELIGIBLE FOR A LICENSE TO CONDUCT CHARITABLE GAMES (Section 4 of the Act). An "auxiliary organization" is one which exists to assist or support an affiliated organization.

b) Applications. Application for a charitable games license must be made on the forms prescribed by the Department, and must be accompanied by a license fee of $200 in the form of a certified check or money order payable to the Illinois Department of Revenue. The Department will not consider applications which are not complete, which are not accompanied by the information described below, or which are received less than 30 days before a charitable games event scheduled by the applicant. ANY WILLFUL MISSTATEMENTS CONTAINED IN AN APPLICATION CONSTITUTE PERJURY (Section 4 of the Act). An organization applying for a charitable games license must submit the following information in addition to the completed application form:

1) Documentary evidence sufficient to show that the organization meets the eligibility requirements of subsection (a) above. Such documentation must include, when applicable, a copy of the organization's by-laws, constitution, charter, minutes of past meetings, promotional materials, and Articles of Incorporation;

2) A copy of the letter or any other document issued to the organization by the Internal Revenue Service showing that the organization is currently exempt from federal income taxation under Section 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(8), 501(c)(10) or 501(c)(19) of the Internal Revenue Code;

3) A copy of the letter or any other document issued to the organization by the Attorney General of Illinois showing that

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the organization has registered, or is exempt from registration, under "AN ACT to regulate solicitation and collection of funds for charitable purposes, providing for violations thereof, and making an appropriation therefor" (Ill. Rev. Stat. ~~1985~~ 1989, ch. 23, par. 5101 et seq.);

4) Information, on the form for that purpose, supplied by the Department or on additional sheets attached to the form, concerning all of the members, volunteers, and employees of the organization who will participate in the management or operation of the charitable games events to be conducted under the license. If, from the information provided, the Department cannot determine with reasonable certainty that a member, volunteer, or employee does not have a criminal record which would make the organization ineligible for a license under Section 435.150, the Department will require such member, volunteer or employee to submit to fingerprinting in order to make a more certain determination as to the lack of a criminal history of the member, volunteer, or employee. Information concerning additional members, volunteers, and employees may be submitted at any time; however, such members, volunteers, and employees may not participate in the management or operation of any charitable games event unless the information required above is received by the Department at least 14 days before the event.

5) If the organization will be using charitable games equipment which it owns, it must include with its application for a charitable games license an application for a charitable games equipment ownership permit. The application for such permit must be on the form prescribed by the Department, and must be accompanied by an application fee of $50 in the form of a certified check or money order payable to the Illinois Department of Revenue. On the permit application, the organization must list all charitable games equipment it owns and certify that all such equipment has the name of the supplier or organization permanently affixed thereto in a clearly visible location. Such permits shall be valid indefinitely provided that each time the organization renews its charitable games license it provides the Department with an inventory of all charitable games equipment it owns. An organization holding a charitable games equipment ownership permit MAY LEND SUCH EQUIPMENT WITHOUT COMPENSATION TO OTHER LICENSED ORGANIZATIONS WITHOUT APPLYING FOR A SUPPLIER'S LICENSE (Section 6 of the Act);

6) A diagram of the area(s) where the charitable games are to be played, showing the approximate location of each game, the location at which chips will be sold and redeemed (the bank), and the location of all doorways entering into the area(s);

7) If the organization will not be conducting its charitable games events(s) on premises which it owns, or at which it has its principal office or conducts activities for which it is organized, the organization must submit with its application a copy of a written, signed lease with the person or organization holding the license to provide the premises on which the charitable games event(s) will be conducted. No charitable games license will be issued for any date(s) not expressly stated in such lease;

8) Any other information requested by the Department which is necessary to establish the eligibility of the organization for a charitable games license;

9) A report on a form provided by the Department accounting for the disposition of the gross charitable games proceeds for the organization's most recent license year.

c) Licenses. A LICENSEE MAY HOLD ONLY ONE CHARITABLE GAMES LICENSE AND THAT LICENSE IS VALID FOR ONLY ONE LOCATION IN COUNTIES WITH 60,000 OR MORE INHABITANTS AND UP TO 2 LOCATIONS IN COUNTIES WITH FEWER THAN 60,000 INHABITANTS (Section 3 of the Act): A charitable games license will be issued for from one to four dates during a license year. These dates may be consecutive, or separate, or some combination thereof. Although applicants are not required to list four dates on the application, charitable games licenses which are issued for fewer than four dates may ~~not~~ only be amended during the license year to add additional dates with thirty days notice prior to an event, and the payment of a $50 application fee. No amendment will be allowed to change dates of an event previously submitted. Similarly, once a license is issued for a specified location and date (or dates), the location and date (or dates) may not be amended during the license year, except that if, for reasons beyond the control of the licensee, it becomes impossible to conduct an event on a day for which the license is issued, the event may be rescheduled for another date during the license year. Note that this means that any organization wishing to conduct more than one charitable games event in a twelve month period must state the dates for all such events on its application. No charitable games license will be issued for any date less than 30 days after the day the Department receives the application. No license will be issued

unless and until the applicant has provided all information required by the Act and this Part to the Department.

d) Upon receipt of a charitable games license THE LICENSEE SHALL FILE A COPY OF THE LICENSE WITH THE POLICE DEPARTMENT OR, IF IN AN UNINCORPORATED AREA, THE SHERIFF'S OFFICE WHOSE JURISDICTION INCLUDES THE PREMISES ON WHICH THE CHARITABLE GAMES EVENTS ARE AUTHORIZED UNDER THE LICENSE (Section 4 of the Act).

~~e) NO LICENSE FOR THE CONDUCTING OF CHARITABLE GAMES SHALL BE ISSUED OR EFFECTIVE AFTER SEPTEMBER 1, 1988 (Section 8 of the Act).~~

f) The Department will not issue a charitable games license for an event to be held in a municipality, if the municipality or county has adopted an ordinance prohibiting such events, and has filed a copy of the ordinance with the Department.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.130 Supplier's Licenses

a) Any person, firm, or corporation which sells, leases, lends, distributes, or otherwise provides to any organization licensed to conduct charitable games events in Illinois any charitable games equipment, must obtain a license to do so from the Department except as provided in Section 435.120(b)(5).

b) Application for a supplier's license must be made on the form provided by the Department, and must be accompanied by a license fee of $500 in the form of a certified check or money order payable to the Illinois Department of Revenue. Corporate applicants shall submit a copy of their Certificate and Articles of Incorporation. A supplier's license is valid for one year from its date of issuance. If, from the information provided, the Department cannot determine with reasonable certainty that a person whose name appears on the application in a capacity described in Section 435.150(a)(5) or (6) does not have a criminal record which would make the applicant ineligible for the license, the Department will require such person to submit to fingerprinting in order to make a more certain determination as to the lack of a criminal history of such person.

1) Along with the application form the applicant must submit a list of all charitable games equipment offered for sale, lease or distribution to any charitable games licensee, and the sales and/or rental price for all such equipment. ALL

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CHARITABLE GAMES EQUIPMENT SHALL BE KEPT SEGREGATED AND SEPARATE FROM ANY OTHER PRODUCTS, MATERIALS OR EQUIPMENT THAT THE SUPPLIER MIGHT OWN, SELL OR LEASE (Section 6 of the Act), and the supplier shall inform the Department of the exact location of the storage of all charitable games equipment in the supplier's possession.

2) No supplier shall sell, lease or distribute to any charitable games licensee any item of charitable games equipment not included on the list or any amendments thereto described in subsection (b)(1) above, nor shall any supplier sell, lease or distribute to any charitable games licensee any item of charitable games equipment at a price other than the price on file with the Department.

3) No supplier shall sell, lease, lend or distribute any item of charitable games equipment to any organization or entity not holding a license to conduct charitable games.

c) Within 20 days after the end of any calendar quarter during which a supplier's license is in effect, the supplier shall file a return with the Department listing all sales and leases of charitable games equipment for such quarter and the gross proceeds derived from each such sale or lease. A SUPPLIER SHALL KEEP BOOKS AND RECORDS FOR THE FURNISHING OF CHARITABLE GAMES EQUIPMENT SEPARATE AND DISTINCT FROM ANY OTHER BUSINESS THE SUPPLIER MIGHT OPERATE (Section 6 of the Act). A supplier shall maintain all such books and records for a period of at least three years and must allow inspection of the books and records by agents or employees of the Department during reasonable business hours.

d) The following general provisions apply to all licensed suppliers:

1) A SUPPLIER SHALL NOT ALTER OR MODIFY ANY CHARITABLE GAMES EQUIPMENT, OR POSSESS ANY CHARITABLE GAMES EQUIPMENT SO ALTERED OR MODIFIED, SO AS TO ALLOW THE POSSESSOR OR OPERATOR OF THE EQUIPMENT TO OBTAIN A GREATER CHANCE OF WINNING A GAME OTHER THAN AS UNDER NORMAL RULES OF PLAY OF SUCH GAMES (Section 6 of the Act). Any charitable games equipment so altered or modified shall be confiscated by the Department;

2) A SUPPLIER SHALL PERMIT DEPARTMENT EMPLOYEES TO ENTER THE SUPPLIER'S PREMISES TO INSPECT AND TEST

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ALL CHARITABLE GAMES EQUIPMENT (Section 6 of the Act);

~~3) A SUPPLIER SHALL PERMANENTLY AFFIX HIS NAME TO ALL CHARITABLE GAMES EQUIPMENT HE SELLS, LEASES OR RENTS (Section 6 of the Act). The name shall be plainly visible to the public while any item of charitable games equipment is being used for the purpose for which it was intended at a charitable games event. The supplier's name shall be affixed to any box or other package containing unopened pull tab or break open tickets, and to any promotional cards, or "flares".~~

43) A SUPPLIER SHALL NOT RECEIVE A PERCENTAGE OF THE PROCEEDS OR ADMISSION FEES FROM ANY CHARITABLE GAMES EVENT (Section 6 of the Act);

54) NO EMPLOYEE OR OWNER OF A SUPPLIER MAY PARTICIPATE IN THE MANAGEMENT OR OPERATION OF ANY CHARITABLE GAMES EVENT (Section 6 of the Act), whether for compensation or not, or whether the employee is also a member, volunteer, or employee of the charitable games licensee. The supplier may provide training classes and consulting services prior to the events, and they may have one representative present at the event to ensure their equipment is not damaged;

65) A SUPPLIER SHALL NOT HAVE ANY INTEREST, DIRECT OR INDIRECT, IN THE BUSINESS OF ANY PERSON, FIRM, OR CORPORATION LICENSED UNDER THE ACT TO PROVIDE PREMISES FOR THE CONDUCT OF CHARITABLE GAMES (Section 6 of the Act).

e) A SUPPLIER SHALL PERMANENTLY AFFIX HIS NAME TO ALL CHARITABLE GAMES EQUIPMENT, SUPPLIES AND PULL TABS HE SELLS, LEASES OR RENTS. The name shall be plainly visible to the public while any item of charitable games equipment is being used for the purpose for which it was intended at a charitable games event. The supplier's name shall be affixed to any box or other package containing unopened pull tab or break open tickets, and to any promotional cards, or "flares" (Section 6 of the Act). The supplier must maintain uniform colors for chip denominations as established by the Department.

f) Suppliers may not enter into agreements not to compete in certain geographic areas with other suppliers.

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(Source: Amended at _____ Ill. Reg. _____, effective _____)

Section 435.140 Provider's Licenses

a) Except as provided in subsection (c) below, the person or organization owning, leasing, or controlling premises upon which any charitable games event is to be conducted must first obtain a license to provide the premises for the charitable games event. As used in this Section "premises" means a distinct parcel of land and the buildings thereon.

b) Application for a provider's license must be made on the form provided by the Department, and must be accompanied by a license fee of $50 in the form of a certified check or money order payable to the Illinois Department of Revenue. If, from the information provided on the application, the Department cannot determine with reasonable certainty that a person whose name appears on the application in a capacity described in Section 435.150(a)(5) or (6) does not have a criminal record which would make the applicant ineligible for the license, the Department will require such person to submit to fingerprinting in order to make a more certain determination as to the lack of a criminal history of such person. If the owner of the premises is a trust, the owner must disclose the names of all trust beneficiaries. Each provider's license is valid for one year from its date of issuance. During that year, no more than four charitable games events may be conducted on the licensed premises, except that, in a county with fewer than 60,000 inhabitants, a provider may rent or provide such premises for up to eight days in a 12-month period upon a showing that there is no other location suitable for the conduct of charitable games within 5 miles of such premises.

c) If an organization has a license to conduct a charitable games event on premises which it owns, or at which it has its principal office or conducts activities for which it was organized, no provider's license is necessary.

d) A PROVIDER MAY RECEIVE REASONABLE COMPENSATION FOR THE PROVISION OF THE PREMISES. THE COMPENSATION SHALL NOT BE BASED UPON A PERCENTAGE OF THE GROSS PROCEEDS FROM THE CHARITABLE GAMES (Section 5 of the Act). Any arms-length agreement as to rent between a provider and a charitable games licensee shall be presumed to be reasonable, provided that both parties are in full compliance with all provisions of this Section.

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e) A PROVIDER SHALL NOT HAVE ANY INTEREST IN ANY SUPPLIER'S BUSINESS, EITHER DIRECT OR INDIRECT. NO EMPLOYEE OR OWNER OF A PROVIDER MAY PARTICIPATE IN THE MANAGEMENT OR OPERATION OF A CHARITABLE GAMES EVENT (Section 5 of the Act), whether for compensation or not, or whether the employee is also a member, volunteer or employee of the charitable games licensee. The provider's books and records relating to the provision of premises for charitable games events shall be maintained for a period of three years after the expiration of any license issued pursuant to this Section, and shall be available for inspection by agents or employees of the Department during reasonable business hours.

f) A provider may not promote or solicit a charitable games event on behalf of a charitable games licensee.

(Source: Amended at ___ Ill. Reg. _____, effective _____)

Section 435.160 Operation of Charitable Games Events

a) ONLY THE FOLLOWING GAMES MAY BE CONDUCTED AT A CHARITABLE GAMES EVENT: ROULETTE, BLACKJACK, POKER, PULL TABS, CRAPS, BANG, BEAT THE DEALER, BIG SIX, GIN RUMMY, FIVE CARD STUD POKER, CHUCK-A-LUCK, KENO, HOLD-EM POKER, AND MERCHANDISE WHEEL. A LICENSEE NEED NOT CONDUCT EVERY GAME PERMITTED. THE LICENSEE SHALL PROMULGATE RULES, AND MAKE PRINTED COPIES AVAILABLE TO PARTICIPANTS, FOR THE GAMES CONDUCTED AT THE CHARITABLE GAMES EVENT (Section 8 of the Act). However, the games, as played at a charitable games event, must be recognizable from the following general descriptions of these games: Craps, bang, beat the dealer, and chuck-a-luck are dice games. "Craps" involves players rolling a pair of dice in an effort to throw certain combinations of numbers paying various odds. Several rolls may be necessary to determine whether a player has won or lost. "Bang" is similar to craps but with fewer relevant combinations, and a decision is reached on each roll of the dice. In "beat the dealer" the player attempts to throw a higher total on two dice than the dealer. "Chuck-a-luck" uses three dice with players wagering on whether particular spots will appear on one or more of the dice. Roulette, big six, and merchandise wheel are wheel games. "Roulette" uses a wheel, usually separated into 38 numbered compartments into which a ball drops at random, and wagers are made regarding several variables in the outcome of a spin of the wheel. "Big six" uses a sectioned wheel on which are pictured various combinations of three dice, and wagers are made on whether particular spots will appear in the combination that is

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chosen at random by spinning the wheel. "Merchandise wheels" have numbers, symbols or colors used to designate the winning wager and, where applicable, the type of merchandise to be awarded. Blackjack, gin rummy, poker, hold-em poker, and five card stud poker are card games, and must be played substantially according to the description of such games found in HOYLE'S MODERN ENCYCLOPEDIA OF CARD GAMES, by Walter B. Gibson, published by Doubleday and Company, Inc., April 1974, 1st Edition. Keno is a lotto-type game, similar to bingo, in which a player, to win, must select numbers on a card which correspond to numbers drawn at random from a container. A pull tab, or similar type of gambling ticket, is a single-folded or banded ticket, or is a card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which are winners. Players receive from the licensee the prize for a winning ticket which is stated on the promotional display, or "flare". NO CARDS, DICE, WHEELS OR OTHER CHARITABLE GAMES EQUIPMENT MAY BE MODIFIED OR ALTERED SO AS TO GIVE THE LICENSEE A GREATER ADVANTAGE IN WINNING, OTHER THAN AS PROVIDED UNDER THE NORMAL RULES OF PLAY OF A PARTICULAR GAME (Section 8 of the Act). Any charitable games equipment so altered or modified shall be confiscated by the Department.

b) Only chips, scrip, or play money (collectively referred to as "chips") may be used to play any of the games listed in subsection (a) above. Cash may never be used to wager on any of the games conducted at any charitable games event. All chips must be monogrammed with ~~the~~ a Department registered logo of the licensee or of the supplier (Section 8 of the Act). Licensees may, at their discretion, accept checks as payment for chips. However, such checks must be endorsed by the licensee so as to show that they were deposited into the licensee's charitable games checking account established under Section 435.190.

1) Chips must be sold and redeemed at a single, stationary, location on the premises where the charitable games event is conducted. This area shall be known as the "bank". The bank must be staffed entirely by members or employees of the licensee, who will be required to account for all transactions. No "floor sellers" or "runners" are allowed. For each participant, the licensee shall keep a complete and accurate record of the name and address of the participant, the cash value of each purchase of chips by the participant, and, if chips are redeemable for cash, the cash value of all chips redeemed by the participant. After each separate purchase of chips, the licensee shall issue to the purchaser a separate receipt identified by a unique pre-printed number. The number of the receipt, and the amount of the purchase must be entered on the record maintained for that purchaser.

A) All receipts for the purchase of chips must be pre-printed with consecutive numbers, beginning with the number one. Any receipts not issued, and any voided receipts, must be retained as part of the licensee's records. (Example: Seller A is selling chips and issuing receipts numbered 1-150. Seller B is also selling chips and issuing receipts numbered 151-300. At the end of the night, seller A has only issued receipts through number 135. Blank receipts 136-150 must be retained by the licensee.

B) The entire amount of any admission fee shall be considered to be a purchase of chips even if no chips are given in return for payment of the fee, and must be entered on the record of each participant. For this purchase of chips only, the licensee need not issue a receipt to the purchaser.

2) If the value of all chips redeemed by a participant for cash exceeds the value of all chips purchased by the participant, the participant must give a signed receipt for the cash won. The participant's signature on the record kept by the licensee shall be a sufficient receipt. No licensee may pay any participant in excess of $250 more than the total cash value of the chips purchased by that participant. No participant may win more than $250 in cash at any charitable games event.

3) When a participant exchanges chips for any noncash prize, the participant shall sign for the receipt of such prize. The receipt shall describe the noncash prize and state the retail value of the prize.

4) All receipts required by this subsection (b) shall include the date and the licensee's name and charitable games license number.

c) THE LICENSEE SHALL DESIGNATE A PERSON IN CHARGE OF AND PRIMARILY RESPONSIBLE FOR THE CONDUCT OF THE CHARITABLE GAMES EVENT, AND THAT PERSON MUST BE PRESENT ON THE PREMISES CONTINUOUSLY DURING THE CHARITABLE GAMES EVENT (Section 4 of the Act). The person in charge must verify that only eligible members, whose names appear on the workers list, participate in the operation of the event.

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The person in charge must have been a member of the licensee for at least one year prior to the charitable games event, and shall be familiar with the provisions of the Act and this Part.

d) EACH LICENSEE SHALL, NO LESS THAN ONE WEEK PRIOR TO AN EVENT, OBTAIN AND MAINTAIN A BOND FOR THE BENEFIT OF PARTICIPANTS IN THE CHARITABLE GAMES EVENT TO INSURE PAYMENT TO THE WINNERS OF SUCH GAMES (Section 4 of the Act). If cash prizes are offered, the amount of the bond shall be $50 times the number of participants that the licensee reasonably estimates will attend the charitable games event, based on past attendance at similar events and any other indications of attendance available to the licensee. If only noncash prizes are offered, the amount of the bond shall be the amount the licensee will have to pay to purchase all of the noncash prizes which, at any time prior to the event, had been advertised as being available to be won at the event, except that the licensee need not obtain a bond to cover the purchase price of any advertised noncash prizes which are in the actual or constructive possession of the licensee no less than one week prior to the event. In a county with fewer than 60,000 inhabitants, the Department may waive the bond requirement upon a showing by a licensee that it has sufficient funds on deposit to insure payment to the winners of such games.

e) The licensee must post its charitable games license in a prominent place at or near the location where chips are sold and redeemed, and in a manner such that the license may be easily seen by participants.

f) CHARITABLE GAMES EVENTS MUST BE CONDUCTED IN ACCORDANCE WITH LOCAL BUILDING AND FIRE CODE REQUIREMENTS (Section 4 of the Act).

g) The licensee must allow Department employees to be present on the premises during, and for two hours before and after the charitable games event to inspect or test equipment, devices and supplies used in the conduct of the event, and to examine the records maintained by the licensee pursuant to Section 435.190.

h) THE ENTIRE NET PROCEEDS FROM CHARITABLE GAMES MUST BE EXCLUSIVELY DEVOTED TO THE LAWFUL PURPOSES OF THE ORGANIZATION PERMITTED TO CONDUCT THAT GAME (Section 8 of the Act).

(Source: Amended at ____ Ill. Reg. _____, effective _____)

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Section 435.170 Restrictions and Limitations on the Conducting of Charitable Games

a) NO LICENSE ISSUED UNDER THE ACT IS ASSIGNABLE OR TRANSFERRABLE (Section 4 of the Act).

b) NO PERSON EXCEPT A BONA FIDE MEMBER, VOLUNTEER, OR EMPLOYEE OF THE LICENSEE MAY PARTICIPATE IN THE MANAGEMENT OR OPERATION OF A CHARITABLE GAMES EVENT (Section 8 of the Act). A person participates in the management or operation of a charitable games event when he or she sells admission tickets at the event; sells or redeems or in any way assists in the selling or redeeming of chips; participates in the conducting of any of the games played at the event; acts as a supervisor of persons conducting the games; or at any time, counts or handles or supervises anyone counting or handling any of the proceeds or chips at the event. Setting up, cleaning up, selling food and drink, and providing security either for persons and property at the event or to ensure the integrity of the games being conducted, do not constitute, in and of themselves, participation in the management or operation of a charitable games event.

1) NO PERSON MAY RECEIVE ANY REMUNERATION OR COMPENSATION FOR PARTICIPATING IN THE MANAGEMENT OR OPERATION OF A CHARITABLE GAMES EVENT (Section 8 of the Act).

A) Employees of a licensee may participate in the management or operation of an event on a volunteer basis only. They may not be required to participate as a condition of employment, nor may they receive any compensation for such participation.

B) Food and drink having a retail value less than ten dollars which is provided to workers shall not be considered to be "remuneration or compensation."

2) No person may participate in the management or operation of a charitable games event and, at the same event, also place any wager, either personally or by proxy, on any charitable game conducted at the event.

3) All persons participating in the management or operation of a charitable games event shall wear name tags, plainly visible, on which are printed the first and last names of the wearer in letters at least one-half inch in height.

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4) No person may participate in the management or operation of charitable games events for more than three different charitable games licensees in any calendar year.

5) No person participating in the management or operation of a charitable games event may solicit or accept any tip, gratuity, gift, or other consideration from any participant or from any licensee under the Act. The charitable games licensee shall post at least one sign prohibiting tipping in a conspicuous place on the premises where the charitable games event is being conducted.

c) The amount wagered by any participant on the outcome of any roll of dice, selection of a set of numbers at random, or spin of a wheel shall not exceed ~~five~~ ten dollar's worth of chips. The amount wagered by any participant on any round of betting during a card game shall not exceed ~~five~~ ten dollar's worth of chips. The licensee shall not extend credit to any participant in the charitable games event at any time for any reason.

d) Illegal Gambling and Raffles~~:~~

1) Unlicensed raffles or other forms of gambling prohibited by law shall not be conducted on the premises where a charitable games event is being conducted. A raffle is "licensed" only when a document is issued to the charitable games licensee by a city or county pursuant to an ordinance providing for the licensing of raffles.

2) NO SLOT MACHINES, INCLUDING COIN-IN-THE-SLOT-OPERATED DEVICES WHICH ALLOW A PARTICIPANT TO PLAY GAMES OF CHANCE BASED UPON CARDS OR DICE, SHALL BE PERMITTED TO BE USED ON THE PREMISES AND DURING THE TIME AT WHICH A CHARITABLE GAMES EVENT IS BEING CONDUCTED (Section 8 of the Act).

e) Miscellaneous Provisions:

1) NO PERSON UNDER THE AGE OF 18 YEARS MAY PLAY OR PARTICIPATE IN THE CONDUCTING OF A CHARITABLE GAMES EVENT. ANY PERSON UNDER THE AGE OF 18 MAY BE WITHIN THE AREA WHERE CHARITABLE GAMES ARE BEING PLAYED ONLY WHEN ACCOMPANIED BY HIS OR HER PARENT OR GUARDIAN (Section 8 of the Act). A licensee may, at its discretion, prohibit persons under the age of 18 from being within the area where charitable games are being played.

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2) No licensee shall knowingly permit the entry into any part of the premises where a charitable games event is being conducted by any person who has been convicted of a violation of Article 28 (Gambling) of the Criminal Code of 1961.

3) No licensee shall purchase or lease any charitable games equipment other than from a person or organization licensed to supply charitable games equipment under the Act.

4) Any advertising by a licensee regarding the conducting of its charitable games events shall contain the name and charitable games license number of the licensee. No person or organization may advertise any charitable games event unless the person or organization has a license to conduct such event.

5) Charitable games may be conducted only between the hours of noon and midnight on the day for which a charitable games license is issued.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.180 Imposition of Tax, Returns

a) THERE SHALL BE PAID TO THE DEPARTMENT 3% OF THE GROSS PROCEEDS OF ANY CHARITABLE GAMES EVENT CONDUCTED IN THE STATE (Section 9 of the Act). "Gross Proceeds" means all money received from the sale of chips, and the entire fee or donation charged for admission or entry into a charitable games event. The entire amount of an entry fee or donation is considered to be "gross proceeds" even when payment does not entitle the person paying to receive any chips, and even though part or all of the fee represents payment for food or beverages.

b) EACH PAYMENT OF TAX SHALL BE MADE BY MONEY ORDER OR CERTIFIED CHECK PAYABLE TO THE ILLINOIS DEPARTMENT OF REVENUE (Section 9 of the Act). Payments shall be made within 30 days after the completion of the charitable games events on successive days, the payment for all such events shall be made within 30 days after the completion of the last such event.

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c) Every licensee must submit a report along with each payment of tax, on a form provided by the Department, which must contain the following information: A list of the types of charitable games conducted, and the number of stations of each; the number of persons purchasing chips; the amount of the entry fee, if any; gross proceeds; the amount of cash prizes and the cost to the licensee of noncash prizes; the names of all persons and organizations providing security either for persons or property at the event or to ~~insure~~ ensure the integrity of the games conducted at the event; and any other information requested by the Department relating to books or records which the licensee is required to maintain. In addition, the licensee shall file a list of all noncash prizes awarded, stating whether the prizes were purchased by the licensee or donated, and, if donated, by whom.

d) If a licensee cancels a charitable games event, the licensee must file a report so stating. The report must be filed within 30 days after the scheduled date of the ~~canceled~~ cancelled event.

e) THE SALE OF TANGIBLE PERSONAL PROPERTY AT CHARITABLE GAMES EVENTS, including sales for which chips are accepted as payment instead of cash, IS SUBJECT TO ALL STATE AND LOCAL TAXES AND OBLIGATIONS (Section 8 of the Act).

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.190 Records; Audits

a) Charitable games event checking account~~.~~

1) Each licensee must establish a separate charitable games event checking account into which it must deposit the following funds:

A) The entire amount of admission fees collected prior to the day of the charitable games event, or the first day of events held on successive days;

B) The entire gross proceeds collected on the day(s) of the charitable games event(s), less only any cash prizes paid.

2) All expenditures of funds deposited in the charitable games event checking account must be by checks, having consecutive numbers, payable to a specific person or organization. No checks shall be written to "cash". All checks written on this account must be for some lawful purpose of the licensee.

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b) Licensees must keep all records and receipts which this Part requires licensees to maintain, whether or not such records and receipts must be filed with the Department. Licensees shall keep any record or receipt pertaining to any charitable games event for at least three years after the event. All such records shall be available for inspection by representatives of the Department during reasonable business hours. Any and all records of any licensee, or any licensed supplier shall be subject to an audit by the Department without notice, performed at the premises where the charitable games event is conducted or at the office of the person or organization where the records are located. In the event of an audit by the Department, the person or organization being audited shall provide all such records, provide a place where such audit may be performed, and provide any requested information relevant to the conduct of the event.

c) When the Department has information indicating that any person or organization licensed under the Act has not paid the full amount of tax due, has not provided the Department with accurate or complete information concerning revenues from charitable games events, or is using proceeds from charitable games events in an unlawful manner, THE DEPARTMENT WILL REQUIRE THE LICENSEE TO OBTAIN FROM AN ILLINOIS CERTIFIED PUBLIC ACCOUNTING FIRM, AT THE LICENSEE'S OWN EXPENSE, A CERTIFIED AND UNQUALIFIED FINANCIAL STATEMENT AND VERIFICATION OF RECORDS OF THE LICENSEE (Section 10 of the Act). The statement must be submitted to the Department within 90 days after notice is received by the licensee.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.200 Denial, Suspension, or Revocation of Licenses

~~a) The Department will deny the application of any person or organization which does not satisfy all eligibility requirements for the license for which application is made, or which is ineligible for a license under Section 435.150(a) or this Section.~~

~~b) The Department will suspend the license of any person or organization which, during the license year, becomes ineligible for any reason. The suspension shall continue until the person or organization again becomes eligible, or until the license expires. However, if a person or organization holding any license under the Act becomes ineligible for the reasons stated in Section 435.150(a)(9) (knowingly making false statements to the Department), the license will be revoked.~~

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~~c) The Department will suspend or revoke the license of any person or organization violating the Act or this Part, as set forth below:~~

~~1) Except as provided in subsection (c)(2) below, for a violation of any provision of the Act or this Part the following penalties apply:~~

~~A) For the first violation the penalty shall be an official warning;~~

~~B) For the second violation of the same provision the penalty shall be suspension of the license for the remainder of the license year. A license os suspended shall not be renewed unless and until the offending person or organization has taken whatever action is necessary to ensure that the offense will not be repeated;~~

~~C) For the third violation of the same provision the penalty shall be revocation of the license.~~

~~2) For a violation of Sections 435.130(d)(1), (5), and (6); 435.140(e); 435.160(b)(1) and (2); 435.160(h); 435.170(a); 435.170(b)(1); and 435.170(d), the following penalties apply:~~

~~A) For the first violation the penalty shall be suspension of the license for the remainder of the license year;~~

~~B) For the second violation of the same provision the penalty shall be suspension of the license for the remainder of the license year, and ineligibility for one year beyond the expiration date of the suspended license. A license so suspended shall not be renewed unless and until the offending person or organization has taken whatever action is necessary to ensure that the offense will not be repeated.~~

~~C) For the third violation of the same provision the penalty shall be revocation of the license.~~

~~d) Notification of denial, suspension, or revocation; requests for hearing:~~

~~1) The Department will send notice of the denial of an application or the suspension or revocation of a license by certified mail, return receipt requested, to the applicant or licensed person or organization at the mailing address stated on the application. The notice will include the reasons for the Department's action and the penalty imposed for the violation.~~

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~~2) An applicant or a licensed person or organization may request a hearing to contest the Department's denial, suspension, or revocation pursuant to 86 Ill. Adm. Code 200. The request shall be in writing, and must be received by the Department within 20 days after the date the notice of denial, suspension or revocation was mailed by the Department.~~

~~3) A suspension or revocation is effective immediately upon receipt by the licensee of the notice of suspension or revocation, or five days after the notice is mailed by the Department, whichever occurs first. The effective date of a suspension or revocation shall not be stayed even if the licensed person or organization requests a hearing.~~

~~4) When a suspension or revocation becomes effective, the licensed person or organization shall surrender the license to the Department.~~

a) The Department will deny the application of any person or organization which does not satisfy all eligibility requirements for the license for which application is made, or which is ineligible for a license under Section 435.150(a).

b) The Department will suspend the license of any person or organization which, while its license is in effect, becomes ineligible for any reason. The suspension will remain in force until the person or organization regains eligibility.

c) The Department will issue a warning to, suspend, or revoke the license of any person or organization violating the Act or this Part.

1) Suspensions and revocations imposed under this subsection, will range in duration from one day to one year. The choice and duration of sanctions will be made on a case by case basis, and will be based on the licensee's history of compliance; the number, seriousness, and duration of violations; the cooperation extended to the Department by licensees in discontinuing and correcting violations; and the sanctions imposed on others by the Department under similar circumstances.

2) The effective date of a suspension will be not less than 25 days after the date the Department mails the notice to the licensee. If the licensee requests a hearing within 20 days as provided in subsection (d)(2) below, the effective date of any suspension is stayed pending the outcome of the hearing, and the licensee may continue to operate under the license. If a license expires during a stay of suspension, the licensee may continue to operate only if a substantially complete renewal application and application fee have been received by the Department prior to the expiration of the license. In cases of revocation, the Department finds that the public interest imperatively requires emergency action, and any revoked license is summarily suspended upon receipt of the notice of revocation by the licensee.

d) Notification of denial, warning, suspension, or revocation, requests for hearing:

1) The Department will send notices of denial, warning, suspension, or revocation by certified mail, return receipt requested, to the applicant or licensee at the mailing address stated on the applicant's or licensee's most recent license application. All such notices will include a statement of the reasons for the Department's action.

2) An applicant or licensee may request a hearing to contest the Department's action pursuant to 86 Ill. Adm. Code 200. The request shall be in writing, and must be received by the Department within 20 days after the date the Department mailed the notice of its action to the applicant or licensee.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.210 Criminal and Civil Penalties

a) The Act establishes criminal penalties for violations as follows:

1) Section 4(1) of the Act provides that any willful misstatement contained in an application for a charitable games license constitutes perjury.

2) Section 6 of the Act provides that any person or organization which sells, leases, or distributes for compensation within this State, or possesses with intent to sell, or lease, or distribute for compensation within this State, any charitable games equipment without having first obtained a license to do so from the Department is guilty of a Class A misdemeanor, the

fine for which shall not exceed $50,000, if the violation is committed knowingly.

3) Section 12 of the Act states that "ANY PERSON WHO CONDUCTS OR KNOWINGLY PARTICIPATES IN AN UNLICENSED CHARITABLE GAME COMMITS THE OFFENSE OF GAMBLING IN VIOLATION OF SECTION 28-1 OF THE CRIMINAL CODE OF 1961, AS AMENDED." Section 12 further provides that anyone who violates any other provision of the Act, or anyone who willfully violates any provision of this Part is guilty of a Class A misdemeanor. Any second or subsequent violation of the Act constitutes a Class 4 felony.

b) Forfeitures shall be imposed as follows:

1) Any charitable games equipment used at an unlicensed charitable games event is forfeited to the State, and will be confiscated. Any charitable games equipment used at the charitable games event of a licensee whose license is in a suspended or revoked status is forfeited to the State, and will be confiscated, provided that the owner of the equipment knows or could reasonably be expected to know of the suspended or revoked status of the license.

2) Any charitable games equipment used for any form of illegal gambling at an otherwise properly licensed charitable games event is forfeited to the State, and will be confiscated.

3) The gross proceeds from any charitable games event described in subsection (b)(1) above, or from any illegal gambling at any charitable games event are forfeited to the State and will be confiscated. The Department shall determine the amount of gross proceeds based on all information available to the Department and its ~~judgement~~ judgment of all the facts of each particular case.

4) The Department will provide a detailed written receipt describing all confiscated equipment and proceeds.

c) In addition to, or independently of any forfeiture of gross proceeds as provided in subsection (b)(3) above, the Department shall assess against an organization a civil penalty equal to the gross proceeds derived by the organization from any charitable games event which is conducted without a license or which is conducted under a suspended or revoked license, or at which illegal gambling is conducted. A civil penalty of $1,000 shall be assessed against a licensed supplier for any violation of the Act or this Part. Notice of

assessment of a civil penalty shall be sent by certified mail, return receipt requested. The person or organization against whom a civil penalty has been assessed shall remit, by certified check or money order payable to the Illinois Department of Revenue, the full amount of the penalty within 30 days from the date the notice was mailed.

d) When charitable games equipment or gross proceeds are forfeited to the State under subsection (b) above, or a civil penalty is assessed under subsection (c) above, the organization entitled to possession of the equipment or proceeds at the time of confiscation or at the time a civil penalty is assessed may, within 30 days of the date of confiscation or imposition of the penalty, request, in writing, a hearing. The sole issue at such hearing shall be whether a charitable games event was conducted without a license, or under a suspended or revoked license, or whether illegal gambling was conducted at an otherwise properly licensed charitable games event.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 435.220 State-Local Relations

a) Whenever the Department takes any action authorizing or prohibiting the conducting of a charitable games event, it shall notify the police department or sheriff's office, as the case may be, whose jurisdiction includes the premises on which charitable games ~~even(s)~~ event(s) are authorized or prohibited.

b) ANY LAW ENFORCEMENT AGENCY THAT TAKES ACTION RELATING TO THE OPERATION OF A CHARITABLE GAMES EVENT, whether licensed or unlicensed, SHALL NOTIFY THE DEPARTMENT AND SPECIFY THE EXTENT OF THE ACTION TAKEN AND THE REASONS FOR SUCH ACTION (Section 15 of the Act). The Department shall ~~there-on~~ thereupon take whatever action is necessary under the Act. Any law enforcement agency that confiscates charitable games equipment and/or gross proceeds as provided in Section 435.210(b) shall, as soon as practicable under the circumstances, turn over such equipment and/or proceeds to the Department.

c) From appropriations to the Department for such purpose, the Department shall make grants to counties and municipalities for ~~law-enforcement~~ law enforcement purposes. The amount of a grant to a county or municipality shall bear the same ratio to the total amount of grants made as the number of charitable games licenses issued in the municipality, or in the county outside the boundaries of any municipality, bears to the total number of charitable games licenses

issued in the State in the fiscal year immediately preceding the fiscal year during which such grants will be made. For purposes of this provision, the Department shall consider only the number of charitable games licenses issued, not the number of charitable games events conducted under each license.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

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1) Heading of Part: Pull Tabs and Jar Games Act

2) Code Citation: 86 Ill. Adm. Code 432

3) Section Numbers: Proposed Action:

432.100	Amendment
432.110	Amendment
432.120	Amendment
432.160	Amendment

4) Statutory Authority: Ill. Rev. Stat. 1989, ch. 120, pars. 1051 et seq.

5) A Complete Description of the Subjects and Issues Involved:

Implements statutory amendments

6) Will this proposed rule replace an emergency rule currently in effect: No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed amendment contain incorporations by reference? No

9) Are there any other amendments pending on this Part: No

10) Statement of Statewide Policy Objectives: This rulemaking will have no effect on units of local government.

11) Time, Place and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to submit comments on this proposed rule may submit them in writing by no later than 45 days after publication of this notice to:

Mr. R. Dale Yung
Administrator
Illinois Department of Revenue
Legal Services Bureau
101 West Jefferson
Springfield, Illinois 62708
Phone: (217) 782-6336

12) Initial Regulatory Flexibility Analysis:

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A Date rule was submitted to the Small Business Office of the Department of Commerce and Community Affairs: January 18, 1991

B) Types of small businesses affected: Those organizations holding licenses.

C) Reporting, bookkeeping or other procedures required for compliance: None

D) Types of professional skills necessary for compliance: None

The full text of the Proposed Amendment(s) begins on the next page:

TITLE 86: REVENUE
CHAPTER I: DEPARTMENT OF REVENUE

PART 432
PULL TABS AND JAR GAMES ACT

Section
432.100 Definitions
432.110 Regular Licenses
432.120 Limited Licenses
432.130 Manufacturer's Licenses
432.140 Supplier's Licenses
432.150 Ineligibility for License
432.160 Restrictions and Limitations on the Sale of Pull Tabs
432.170 Imposition of Tax; Returns
432.180 Records; Audits
432.190 Denial, Suspension, or Revocation of Licenses; Criminal Sanctions
432.200 State - Local Relations

AUTHORITY: Implementing and authorized by the Illinois Pull Tabs and Jar Games Act (Ill. Rev. Stat. 1989, ch. 120, pars. 1051 et seq.)

SOURCE: Emergency Rules adopted at 12 Ill. Reg. 11297, effective June 30, 1988, for a maximum of 150 days, emergency expired November 27, 1988; adopted at 13 Ill. Reg. 191, effective January 1, 1989; amended at 14 Ill. Reg. 6399, effective April 16, 1990; amended at ____ Ill. Reg. _____, effective _____.

NOTE: Capitalization denotes statutory language.

Section 432.100 Definitions

As used in this Part, the terms listed below are defined as follows:

"Act": The Illinois Pull Tabs and Jar Games Act (~~Public Act 85-1012, effective July 1, 1988~~ Ill. Rev. Stat. 1989, ch. 120, pars. 1051 et seq.);

"Deal": A separate package, series of packages, or card consisting of one game of pull tabs with the same serial number, purchased from a licensed manufacturer or supplier;

"Department": The Illinois Department of Revenue;

"Flare": The posted display setting forth the rules and prizes of a particular deal of pull tabs;

"Member": A person who is eligible to participate in the sale of pull tabs for a regular licensee~~.~~; ~~The term includes members of an auxiliary organization, substantially all of whose members are spouses of members of the regular licensee;~~

"Organization": A CORPORATION, AGENCY, PARTNERSHIP, ASSOCIATION, FIRM OR OTHER ENTITY CONSISTING OF 2 OR MORE PERSONS JOINED BY A COMMON INTEREST OR PURPOSE (Section 1.1 of the Act);

"Pull tabs": Any of several different but closely related types of charitable gaming tickets which may be sold by licensees under the Act. As used in this Part, the term includes pull tabs, jar tickets, and tipboards, each of which is separately defined below. Nothing in the Act or this Part applies in any way to pull tabs sold in accordance with the Charitable Games Act (Ill. Rev. Stat. ~~1987~~ 1989, ch. 120, par. 1121 et seq.) or the rules implementing that Act (86 Ill. Adm. Code 435):

A pull tab, also known as a "break open", is a CARD, THE FACE OF WHICH IS INITIALLY COVERED OR OTHERWISE HIDDEN FROM VIEW IN ORDER TO CONCEAL A NUMBER, SYMBOL OR SET OF SYMBOLS, SOME OF WHICH HAVE BEEN DESIGNATED IN ADVANCE AS PRIZE WINNERS (Section 1.1 of the Act);

A jar ticket is a folded and banded ticket concealing a number, symbol or set of numbers or symbols, some of which have been designated in advance as winners;

A tipboard is a board or placard to which are attached tickets which contain concealed numbers. The winning number is determined by removing a seal on the board.

"Received by the Department" or similar phrases: Whenever this Part requires that any writing or payment must be received within a specified number of days or by a specified date, the provisions of Section 1.25 of "AN ACT to revise the law in relation to the construction of the statutes" (Ill. Rev. Stat. ~~1987~~ 1989, ch. 1, par. 1026) shall apply;

"Regular licensee": An organization holding a license authorizing it to sell pull tabs in Illinois to the public.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 432.110 Regular Licenses

a) Eligibility. To be eligible for a regular license, an organization must have been organized in Illinois. It must have been in

existence continuously during the entire five-year period preceding application, and during that period must have had a bona fide membership engaged in carrying out its stated objectives on a regular basis. THE FIVE YEAR REQUIREMENT SHALL BE REDUCED TO TWO YEARS, AS APPLIED TO A LOCAL ORGANIZATION WHICH IS AFFILIATED WITH AND CHARTERED BY A NATIONAL ORGANIZATION WHICH MEETS THE FIVE YEAR REQUIREMENT (Section 2 of the Act). To be "chartered" by a national organization, an Illinois organization must have a document issued by the national organization formally authorizing the establishment of the Illinois organization. The organization must ~~operate without profit to its members,~~ be conducted on a not-for-profit basis with no personal profit inuring to anyone as a result of the operation, and must fall within one of the following categories:

1) CHARITABLE ORGANIZATION: AN ORGANIZATION ORGANIZED AND OPERATED TO BENEFIT AN INDEFINITE NUMBER OF THE PUBLIC (Section 1.1 of the Act);

2) EDUCATIONAL ORGANIZATION: AN ORGANIZATION ORGANIZED AND OPERATED TO PROVIDE SYSTEMATIC INSTRUCTION IN USEFUL BRANCHES OF LEARNING BY METHODS COMMON TO SCHOOLS AND INSTITUTIONS OF LEARNING WHICH COMPARE FAVORABLY IN THEIR SCOPE AND INTENSITY WITH THE COURSE OF STUDY PRESENTED IN TAX-SUPPORTED SCHOOLS (Section 1.1 of the Act). Public schools and school districts are not eligible for regular licenses. Organizations affiliated with public schools, such as booster clubs, may be eligible if they fall within any of the other categories listed in this Section;

3) RELIGIOUS ORGANIZATION: ANY CHURCH, CONGREGATION, SOCIETY OR ORGANIZATION FOUNDED FOR THE PURPOSE OF RELIGIOUS WORSHIP (Section 1.1 of the Act);

4) FRATERNAL ORGANIZATION: AN ORGANIZATION OF PERSONS, INCLUDING BUT NOT LIMITED TO ETHNIC ORGANIZATIONS, HAVING A COMMON INTEREST, ORGANIZED AND OPERATED EXCLUSIVELY TO PROMOTE THE WELFARE OF ITS MEMBERS AND TO BENEFIT THE GENERAL PUBLIC ON A CONTINUING AND CONSISTENT BASIS (Section 1.1 of the Act);

5) VETERANS' ORGANIZATION: AN ORGANIZATION COMPRISED OF MEMBERS OF WHICH SUBSTANTIALLY ALL ARE INDIVIDUALS WHO ARE VETERANS OR SPOUSES, WIDOWS, OR WIDOWERS OF VETERANS, THE PRIMARY PURPOSE OF WHICH IS TO PROMOTE THE WELFARE OF ITS MEMBERS AND TO PROVIDE ASSISTANCE TO THE GENERAL PUBLIC IN SUCH A WAY AS TO CONFER A PUBLIC BENEFIT (Section 1.1 of the Act);

6) LABOR ORGANIZATION: AN ORGANIZATION COMPOSED OF LABOR UNIONS OR WORKERS ORGANIZED WITH THE OBJECTIVE OF BETTERMENT OF THE

CONDITIONS OF THOSE ENGAGED IN SUCH PURSUIT AND THE DEVELOPMENT OF A HIGHER DEGREE OF EFFICIENCY IN THEIR RESPECTIVE OCCUPATIONS (Section 1.1 of the Act);

7) YOUTH ATHLETIC ORGANIZATION: AN ORGANIZATION HAVING AS ITS EXCLUSIVE PURPOSE THE PROMOTION AND PROVISION OF ATHLETIC ACTIVITIES FOR YOUTH AGED 18 AND UNDER (Section 1.1 of the Act). Marching bands and drum and bugle corps are considered to promote and provide athletic activities. A youth athletic organization otherwise eligible for a regular license does not lose its eligibility because youths served by the organization become nineteen while participating in an athletic activity with a season of definite duration;

8) SENIOR CITIZENS ORGANIZATION: AN ORGANIZATION OR ASSOCIATION COMPRISED OF MEMBERS OF WHICH SUBSTANTIALLY ALL ARE INDIVIDUALS WHO ARE 55 YEARS OF AGE OR OLDER, OR WHO ARE NEARING THE AGE OF 55 AND FOR WHOM OPPORTUNITIES FOR EMPLOYMENT AND PARTICIPATION IN COMMUNITY LIFE ARE UNAVAILABLE OR SEVERELY LIMITED AND WHO, AS A RESULT THEREOF, HAVE DIFFICULTY IN MAINTAINING SELF-SUFFICIENCY AND CONTRIBUTING TO THE LIFE OF THE COMMUNITY. THE PRIMARY PURPOSE OF THE ORGANIZATION MUST BE THE PROMOTION OF THE WELFARE OF ITS MEMBERS (Section 1.1 of the Act; Section 3.05 of the Illinois Act on the Aging, (Ill. Rev. Stat. ~~1987~~ 1989, ch. 23, par. 6103.05)).

b) Applications. Application for a regular license must be made on the form prescribed by the Department, and must be accompanied by a license fee of $500 in the form of a check or money order payable to the Illinois Department of Revenue, and by the following documents and information:

1) Documentary evidence sufficient to show that the organization meets the eligibility requirements of subsection (a) above. Such documentation should include, when applicable, a copy of the organization's bylaws, constitution, charter, minutes of past meetings, promotional materials, and Articles of Incorporation;

2) The names of the members of the organization who will participate in the sale of pull tabs. The presiding officer of the organization must certify that the persons listed are eligible to sell pull tabs, and have been members of the organization for at least 30 days before participating in the organization's sale of pull tabs;

3) A copy of the letter or any other document issued to the

organization by the Attorney General showing that the organization is in compliance with the registration requirements of "AN ACT to regulate solicitation and collection of funds for charitable purposes, providing for violations thereof, and making an appropriation therefor" (Ill. Rev. Stat. ~~1987~~ 1989, ch. 23, par. 5101 et seq.);

4) For license renewal applications, a report, on a form provided by the Department, accounting for the disposition of the gross proceeds derived from the sale of pull tabs during the period covered by the report (see Section 432.180);

5) Any other information requested by the Department which is necessary to establish the eligibility of the organization for a regular license.

6) If, during a license year, any of the information provided to the Department by the licensee changes, the licensee must notify the Department within 20 days, in writing, of any such changes.

7) The application form shall include the following information:

A) Name of organization

B) Address

C) Mailing Address

D) Name and address of person responsible for filing tax returns

E) Type of organization

F) Address(s) of place where pull tabs are to be sold

G) Does applicant own or lease premises?

H) In what municipality will the applicant be making the most pull tab sales in terms of gross receipts? If you are outside any municipality, in what county?

I) Tax registration or license number (if registered with the Illinois Department of Revenue under any Illinois tax ~~a~~Act)

J) Number of members in good standing

K) How long has organization had a ~~bona-fide~~ bona fide

membership engaged in carrying out its objectives?

L) Place and date of incorporation of organization

M) If not a corporation, state how and when organized

N) Estimated amount of pull tabs and jar games tax per calendar quarter

O) Are you registered with the Attorney General's Office pursuant to the Illinois Solicitation Act?

P) For president of organization: name, address, home and business phone numbers, social security number, date of birth and race

Q) For secretary of organization: name, address, home and business phone numbers, social security number, date of birth and race

R) For person in charge of and primarily responsible for selling of the pull tabs: name, address, home and business phone numbers, social security number, date of birth and race

S) Are criteria for membership in the organization included with the application?

T) Is documentary evidence verifying the claimed status of the applicant as a ~~bona-fide~~ bona fide, ~~non-profit~~ nonprofit religious, charitable, labor, fraternal, educational, veteran's, youth athletic, or senior citizen's organization included with the application?

U) Is the documentary evidence verifying that the location(s) where you will be selling pull tabs is owned or occupied by your organization and used for your general activities or is the location where you conduct bingo included with the application?

V) Is a description of the activities and programs which qualify for support from pull tabs proceeds included with the application?

W) Is a list of your organization's members who will be selling pull tabs included with the application?

X) Is a completed Form PT-12, Expenditures of Funds Earned

Through Pull Tabs and Jar Games, for the past license year included with the application?

Y) Signatures of officers and person primarily responsible for the sale of the pull tabs

c) Licenses. Within 30 days after the receipt of a completed application, the Department will attempt to approve or deny the application. If the Department determines that an organization meets all of the eligibility requirements of this Section, and is not ineligible for any of the reasons stated in Section 432.150, the Department will issue a regular license to the organization. A regular license authorizes the licensee to sell pull tabs only at the locations stated on the license. Such locations must be owned or occupied by the regular licensee and used by its members for general activities, or must be used by the regular licensee for conducting bingo (see Section 432.160(b)).

1) No organization may begin to sell pull tabs without having a valid license in its possession.

2) ~~Except as provided below, regular licenses expire at midnight on the June 30 following the date the license is issued. The Department cannot prorate the $500 license fee when a license is issued for less than a full year.~~ Each license expires at midnight, June 30, following its date of issuance, except that, beginning with applicants whose licenses expire on June 30, 1990, the following license expiration dates and license fees will apply:

A) Licenses in Group 1 will expire December 31, 1990. The license fee is $250;

B) Licenses in Group 2 will expire March 31, 1991. The license fee is $375;

C) Licenses in Group 3 will expire June 30, 1991. The license fee is $500;

D) Licenses in Group 4 will expire September 30, 1991. The license fee is $625.

3) Each license shall be in effect for one year from its date of issuance unless suspended or revoked by the Department before that date. After June 30, 1990, every new license shall expire one year from the date of issuance unless suspended or revoked. The Department cannot prorate the $500 license fee when a license is issued for less than a full year.

~~3~~4) It is the Department's policy to mail a renewal application to each regular licensee at least 30 days prior to the expiration of the license. However, failure to receive a renewal application does not excuse an organization of its obligation to submit a renewal application prior to the expiration of its current license. ~~If the Department receives a~~ If the licensee fails to file a substantially complete renewal application ~~not more than seven days after~~ prior to the expiration of a license, ~~the organization may continue to sell pull tabs until the Department takes action on the renewal application. If the Department receives a renewal application more than seven days after the expiration of a license, the organization must immediately discontinue the sale of pull tabs until it receives a renewed license from the Department~~ it must discontinue the sale of pull tabs until a renewal license is issued.

~~4) Beginning with applicants whose licenses expire on June 30, 1990, and for which renewal applications are submitted, the following license expiration dates and fees shall apply:~~

~~A) Licenses P1 through P200 will expire December 31, 1990. The license fee is $250;~~

~~B) Licenses P201 through P400 will expire March 31, 1991. The license fee is $375;~~

~~C) Licenses P401 through P600 will expire June 30, 1991. The license fee is $500; and~~

~~D) Licenses P601 and higher will expire September 30, 1991. The license fee is $625.~~

~~FOLLOWING EXPIRATION UNDER THIS SCHEDULE, EACH RENEWED LICENSE SHALL BE IN EFFECT FOR ONE YEAR FROM ITS DATE OF ISSUANCE UNLESS SUSPENDED OR REVOKED BY DEPARTMENT ACTION BEFORE THAT DATE. AFTER JUNE 30, 1990, EVERY NEW LICENSE SHALL EXPIRE ONE YEAR FROM THE DATE OF ISSUANCE UNLESS SUSPENDED OR REVOKED. (Section 2 of the Act).~~

d) Special permits. Once during each license year a regular licensee may obtain a special permit to sell pull tabs at a different, additional location for a period of up to ten consecutive days. To apply for a special permit, a regular licensee must submit a written request to the Illinois Department of Revenue, Bingo and Charitable Games Unit, P.O. Box 19019, Springfield, Illinois 62794-9019. The request must be received at least fourteen days before the first day of the scheduled pull tab event, and must include a statement of the specific dates and exact location for which the permit is requested,

and the name and address of the person or organization which owns or controls the site at which pull tabs will be sold.

(Source: Amended at ____ Ill. Reg. _____, effective _____)

Section 432.120 Limited Licenses

a) Eligibility. Any organization which would be eligible for a regular license but which does not hold one, is eligible for a special permit to sell pull tabs. A special permit issued pursuant to this Section shall be known as a "limited license", solely for the purpose of differentiating these special permits from special permits issued pursuant to Section 432.110(d).

b) Applications. Application for a limited license must be made on the form prescribed by the Department, and must be accompanied by a license fee of $50 in the form of a check or money order payable to the Illinois Department of Revenue. Applications must be accompanied by the same documents and information which are required to accompany applications for regular licenses (see Section 432.110(b)).

c) Licenses. Within 30 days after the receipt of a completed application, the Department will approve or deny the application. If the Department determines that an organization meets all of the eligibility requirements of this Section, and is not ineligible for any of the reasons stated in Section 432.150, the Department will issue a limited license to the organization.

1) A limited license authorizes the licensee to sell pull tabs at no more than 2 indoor or outdoor festivals in a year for a maximum of 5 days on each occasion. No more than 2 limited licenses may be issued to any organization in any year.

2) If the Department receives a completed application less than 30 days before the first date on which the applicant wants to sell pull tabs, the Department will make every reasonable effort to act on the application prior to that date. However, no organization may begin to sell pull tabs without having a valid limited license in its possession.

d) All provisions of this Part governing the sale of pull tabs by regular licensees also apply to limited licensees.

(Source: Amended at ___ Ill. Reg. _____, effective _____)

Section 432.160 Restrictions and Limitations on the Sale of Pull Tabs

a) Licenses. No person or organization may sell pull tabs or advertise

pull tabs for sale in Illinois without having a valid license to do so.

1) Licensed manufacturers may sell pull tabs only to licensed suppliers, licensed suppliers may sell pull tabs only to regular and limited licensees, and regular and limited licensees may sell pull tabs only to the public. A manufacturer or supplier may rely on its customers' representations that they are properly licensed (under the license numbers provided by the customers) unless the manufacturer or supplier has received notification from the Department that a particular person or organization does not have a valid license.

2) Regular and limited licensees may obtain pull tabs only from licensed suppliers. It is the responsibility of regular and limited licensees to ensure that all pull tabs which they obtain are marked with the name of the supplier on each pull tab. Regular and limited licensees are requested to notify the Department whenever they receive any printed material advertising the availability of pull tabs if no supplier's license number appears on the material. A supplier's license number will be in the form of the letters "PS" followed by a hyphen and one or more numerals. The notification to the Department, which may consist entirely of a copy of the printed material, should be addressed to the Illinois Department of Revenue, Bingo and Charitable Games Unit, P.O. Box 19019, Springfield, Illinois 62794-9019.

b) Locations. A regular or limited licensee may sell pull tabs only at the locations stated on its license. Pull tabs may be sold only at the following locations:

1) ON PREMISES OWNED OR OCCUPIED BY A LICENSED ORGANIZATION AND USED BY ITS MEMBERS FOR GENERAL ACTIVITIES (Section 4(6) of the Act). "Premises" means a distinct parcel of land and the buildings thereon. Premises are "occupied" by an organization when the organization is using the premises for its general activities in accordance with a contractual right to possess the premises on a regular basis;

2) ON PREMISES OWNED OR RENTED FOR CONDUCTING BINGO (Section 4(6) of the Act). If a licensee rents premises for the purpose of conducting bingo, and does not regularly conduct other activities at other times on such premises, then pull tabs may be sold on such premises only during the licensee's bingo session, which is defined as "the time during which bingo is conducted, including the time during which bingo cards are sold" (86 Ill. Adm. Code 430.100);

3) For regular licensees only, at other premises specified in a special permit obtained pursuant to Section 432.110(d).

4) A license issued by the Department does not grant an unqualified right to sell pull tabs at a specified location. If premises are owned or controlled by a person or organization other than the licensee, that person or organization may prohibit the licensee from selling pull tabs on the premises. EXAMPLE: The American Legion Post conducts bingo at the Moose Lodge. Although the Post may legally obtain a license to sell pull tabs at the Lodge, the Lodge is not required to allow the Post to sell pull tabs on the Lodge's premises - this would be a matter to be determined by and between the Post and the Lodge.

5) A regular or limited license or a special permit shall be prominently displayed in the area where pull tabs are sold. If pull tabs are sold in more than one area on the licensed premises, the license shall be prominently displayed in the area where the greatest volume of sales normally occurs. If pull tabs are sold at multiple premises, the license shall be prominently displayed at the premises where the greatest volume of sales normally occurs, and a sign stating where the license is located shall be prominently displayed on all other premises. "Prominently displayed" means that a license or sign is clearly visible and legible to the naked eye. Under no circumstances may any licensee duplicate or reproduce any license issued under the Act.

c) NO PERSON UNDER THE AGE OF 18 YEARS SHALL PLAY OR PARTICIPATE IN THE SALE OF PULL TABS. A PERSON UNDER THE AGE OF 18 YEARS MAY BE WITHIN THE AREA WHERE PULL TABS ARE SOLD ONLY WHEN ACCOMPANIED BY HIS OR HER PARENT OR GUARDIAN (Section 4(5) of the Act).

d) Only a bona fide member or employee of the regular or limited licensee may participate in the sale of pull tabs. A "bona fide" member is one who has been a member of the licensee for at least 30 days prior to participating in the sale of pull tabs. A "bona fide" employee is one whose principal duties are other than managing or operating pull tabs or jar games. No person may receive any remuneration or compensation for participating in the sale of pull tabs.

e) Regular and limited licensees must sell pull tabs for the price printed on the tickets, but in no case may pull tabs be sold for more than one dollar each. Pull tabs must be sold for cash - no credit may be extended to purchasers. There shall be no more than 4,000 tickets in each game.

f) No single pull tab prize may exceed $250 in cash or merchandise

(valued at retail). THE AGGREGATE VALUE OF ALL PRIZES OR MERCHANDISE AWARDED IN ANY SINGLE DAY SHALL NOT EXCEED $2,250, EXCEPT THAT IN MADISON, MONROE, AND ST. CLAIR COUNTIES THE VALUE OF ALL PRIZES AWARDED MAY NOT EXCEED $3,250 IN A SINGLE DAY (Section 4(4) of the Act). All winning pull tabs which are redeemed for prizes each day shall be retained by the licensee for a period of 60 days, and shall be segregated from winning pull tabs which are redeemed on other days. Winning pull tabs should be defaced so that they may not be used or redeemed a second time, but defacement must leave the prize amount printed on the ticket legible.

g) All advertising of pull tabs for sale in Illinois by any licensee under this Act must include the license number and name of the licensee.

h) THE ENTIRE NET PROCEEDS FROM THE SALE OF PULL TABS MUST BE EXCLUSIVELY DEVOTED TO THE LAWFUL PURPOSES OF THE LICENSEE (Section 4(1) of the Act). The net proceeds (gross proceeds less cash returned to winners) must not be commingled with any other funds belonging to the licensee (except interest paid on the deposited proceeds), and must be deposited into the pull tabs checking account established pursuant to Section 432.180(a).

i) NO REGULAR OR LIMITED LICENSEE, WHILE PULL TABS ARE BEING SOLD, SHALL KNOWINGLY PERMIT ENTRY TO ANY PART OF THE LICENSED PREMISES TO ANY PERSON WHO HAS BEEN CONVICTED OF A FELONY OR A VIOLATION OF ARTICLE 28 (GAMBLING) OF THE CRIMINAL CODE OF 1961 (Section 6 of the Act).

(Source: Amended at ____ Ill. Reg. _____, effective _____)

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NOTICE OF PROPOSED RULES

1) Heading of Part: Home Ownership Made Easy Act

2) Code Citation: 74 Ill. Adm. Code 750

3)

Section Numbers:	Proposed Action:
750.10	New Section
750.20	New Section
750.30	New Section
750.40	New Section
750.50	New Section
750.60	New Section
750.70	New Section
750.80	New Section
750.90	New Section
750.100	New Section
750.110	New Section
750.120	New Section

4) Statutory Authority: Implementing and authorized by the Home Ownership Made Easy Act of 1989 (Ill. Rev. Stat. 1989, ch. 67 1/2, pars. 1101 et seq., as amended December 12, 1990, Public Act 86-773).

5) A Complete Description of the Subjects and Issues Involved: These rules are being promulgated to provide guidance to potential home buyers who would like to qualify and become eligible for participation in the Act.

6) Will this proposed rule replace an emergency rule currently in effect? No

7) Does this rulemaking contain an automatic repeal date? No

8) Does this proposed rule contain incorporations by reference? No

9) Are there any other proposed amendments pending on this Part? No

10) Statement of Statewide Policy Objectives: This rulemaking will have no effect on units of local government.

11) Time, Place, and Manner in which interested persons may comment on this proposed rulemaking: Persons who wish to

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submit comments on these proposed rules may do so in writing by no later than 45 days after publication of this notice to:

Mr. John F. Tully, Jr.
State of Illinois Center
100 West Randolph Street
Concourse 23
Chicago, Illinois 60601
(312) 814-1419

12) Initial Regulatory Flexibility Analysis: This rulemaking will have no effect on small businesses.

The full text of the Proposed Rules begins on the next page:

TITLE 74: PUBLIC FINANCE
CHAPTER V: TREASURER

PART 750
HOME OWNERSHIP MADE EASY ACT

Section

750.10 Treasurer's Contractual Authority
750.20 Eligibility for the Program
750.30 Enrollment Procedures
750.40 Saver Deposit Options
750.50 Participant Statement
750.60 Common Calendar Year
750.70 The H.O.M.E. Program Investment Options
750.80 Tax Reporting
750.90 Withdrawal Requests
750.100 Termination Requests
750.110 Treasurer's Certification of H.O.M.E. Participants
750.120 Illinois Housing Development Authority Mortgage

AUTHORITY: Implementing and authorized by the Home Ownership Made Easy Act of 1989 (Ill. Rev. Stat. 1989, ch. 67 1/2, pars. 1101 et seq., as amended December 12, 1990, Public Act 86-773).

SOURCE: Adopted at 15 Ill. Reg. _____, effective _____, _____.

Section 750.10 Treasurer's Contractual Authority

The Treasurer may enter into such contracts as may be necessary to provide for administration of the Home Ownership Made Easy Act of 1989 (the "Act") (Ill. Rev. Stat. 1989, ch. 67 1/2, pars. 1101 et seq., as amended December 12, 1990, Public Act 86-773). Such contracts include, but are not limited to, contracts for the administration and distribution of investment options by third parties and for investment advisory and transfer agency services to be preformed by third parties.

Section 750.20 Eligibility for the Program

The Act is available to residents 18 and over who have not held an ownership interest in residential real estate for two (2) years prior to application and who do not hold such an ownership interest while participating in the Act.

Section 750.30 Enrollment Procedures

Participants may enroll in the Act by completing an application attesting to their eligibility as defined and set forth therein, and forwarding same to the the Home Ownership Made Easy Fund (the "H.O.M.E. Fund").

a) An initial deposit in check or money order form in the minimum amount of $250.00 or more must accompany the application.

b) On the enrollment application participants must select one (1) of the three (3) deposit options.

Section 750.40 Saver Deposit Options

a) Pre-authorized withdrawals from saver's checking account on monthly basis in the amount of $50.00 or more. The saver must sign an authorization form and provide a voided check with his application.

b) Coupon remittances to be used either monthly, quarterly or semi-annually to accompany checks or money orders in the amount of $50.00 or more. The saver will be provided with a deposit coupon book with preprinted remittance coupons.

c) Automatic payroll deductions, when made available by the saver's employer, for deposit to the saver's account on a monthly basis in the amount of $50.00 or more. The saver must sign an authorization form and present same to his employer.

Section 750.50 Participant Statement

a) Each participant will receive a monthly statement from the H.O.M.E. Fund showing the beginning balance, deposits and withdrawals during the month, dividends paid, yield on participant's fund for period and ending balance.

b) The back of the statement will have a section to be used for address changes, name changes and withdrawal and termination requests.

c) Production of statements at any time other than at month end will cost the saver a $10.00 processing fee. The fee will be charged to the participant's account and shown separately on the monthly statement.

Section 750.60 Common Calendar Year

a) Act participants can change deposit options at any time during participation in the program.

b) Act participants have the right to change investment options at least once a year. For administrative convenience, an option election process for all participants will be completed at the same time.

c) Changes to investment options will be effective on the calendar year end.

Section 750.70 H.O.M.E. Program Investment Options

The Treasurer shall approve investment options for Act participants.

a) The initial investment option is the H.O.M.E. Fund, a proprietary money market fund available to Act participants.

b) Investment options may initially be limited to the H.O.M.E. Fund.

Section 750.80 Tax Reporting

Act participants shall be mailed a report of dividends earned for federal tax reporting purposes within thirty-one (31) days of the end of each calendar year.

Section 750.90 Withdrawal Requests

Withdrawal requests may be made by Act participants subject to the following restrictions and guidelines:

a) A printed space on the back of each monthly statement shall serve as a withdrawal request form.

b) Daily dividends shall be paid on the withdrawn amount up to and including the date prior to the withdrawal being executed by the H.O.M.E. Fund.

c) If an Act participant requests that his withdrawal be wired to an account at a financial institution, a wire charge of $18.00 will be assessed. The wire charge will be charged to the participant's account and shown separately on the participant's monthly statement.

Section 750.100 Termination Requests

Act participants may terminate participation by submitting a request to close the account, using the termination request form printed on the monthly statement. If an Act participant requests that the proceeds of his account be wired to an account at a financial institution, a wire charge of $18.00 will be assessed. The wire charge will be deducted from the participant's account balance and the net proceeds wired accordingly. The wire charge will be shown separately from the termination on the participant's final account statement.

Section 750.110 Treasurer's Certification of H.O.M.E. Participants

The Treasurer shall provide the terminating Act participant with a final account statement and a formal notice of his certification if he has adhered to the Act rules.

a) Act participants qualify for certification if they participate in the program for three twelve (12) month periods or more and at least two deposits are made in each twelve (12) month period.

b) A qualifying balance for transfer tax return eligibility shall be calculated at 20 times the participant's account balance, provided, however, that for accounts where more than fifty percent (50%) of the Act account balance at the time of termination is due to contributions made during the last twelve (12) month period, the qualifying balance will be calculated at forty (40) times

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the account balance at the beginning of the last twelve (12) month period.

c) The Act participant shall be notified of the amount of a home's purchase price on which the tax imposed under the Real Estate Transfer Tax Act will be paid to him by the Illinois Department of Revenue on the certification form.

d) The certification shall have an initial term of four (4) months. Certification may be renewed for an additional six (6) months. Such renewal requests can be made by completing the form on the back of the original certificate and submitting same to the Act office.

e) The certification will be accompanied by instructions on how to file for payment of the real estate transfer tax with the Illinois Department of Revenue.

f) The Treasurer shall provide copies of all certifications to the Illinois Department of Revenue and the Illinois Housing Development Authority.

Section 750.120 Illinois Housing Development Authority Mortgage Priority

The Treasurer shall certify to the Director of the Illinois Housing Development Authority when an Act participant is an eligible home buyer and is entitled to receive the benefits of the Act.

a) Certified Act participants shall have priority over persons who are not so certified in the Illinois Housing Development Authority's program for acquiring and servicing residential mortgages.

b) To qualify for mortgage priority, Act participants must meet all Illinois Housing Development Authority requirements, which are incorporated herein by reference.

c) Act participants must present the Treasurer's certification with their application for an Illinois Housing Development Authority mortgage.

DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

NOTICE OF ADOPTED AMENDMENTS

1) The Heading of the Part: Local Tourism and Convention Bureau Program

2) Code Citation: 14 Ill. Adm. Code 550

3)

Section Numbers:	Adopted Action:
550.20	Amendment
550.30	Amendment
550.35	Amendment
550.40	Amendment
550.50	Amendment

4) Statutory Authority: Implementing Section 46.6a of the Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989, ch. 127, par. 46.6a) and Section 8.25 of "AN ACT in relation to State finance" (Ill. Rev. Stat. 1989, ch. 127, par. 144.25) and authorized by Section 46.20 of the Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989, ch. 127, par. 46.20).

5) Effective Date of Amendments: January 29, 1991

6) Does this rulemaking contain an automatic repeal date? No.

7) Do these amendments contain incorporations by reference? No.

8) Date Filed in Agency's Principal Office: January 23, 1991.

9) Notice of Proposal Published in Illinois Register: June 8, 1990 - 14 Ill. Reg. 8782.

10) Has JCAR issued a Statement of Objections to these amendments? No.

11) Differences between proposal and final version:
In the authority note and in the text, updated the Ill. Rev. Stat. citations to the 1989 edition.

Section 550.20
In the fifth line of the definition of "Contractual Cooperative Project Agreement", changed "should" to "shall".

The first sentence in the definition of "Local Tourism and Convention Bureau (LTCB)" has been revised to read: "Local tourism and convention bureau means a not-for-profit organization or public agency which represents and serves one or more municipalities or counties, and whose activities are consistent with the purpose of the Act.".

Section 550.35
In line 4, deleted "but not more than 3 counties,".

Section 550.40

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In subsection(a)(1), deleted "repeatedly" in line 2 and added "three times during the program year" after "approval" in line 3.

Corrected the labeling of subsection(a)(3).

In line 3 of subsection(b)(1)(B), inserted "transportation, lodging, per diem for a" before "maximum".

Section 550.50
In subsection(d)(1), changed "must" to "shall".

Changed the period at the end of subsection(f)(1) to a colon.

In line 3 of subsection(f)(2), changed the reference "subsection(f)" to "subsection(f)(1)".

In line 4 of subsection(f)(3), changed the reference "subsection(e)" to "subsection(f)(1)".

In line 6 of subsection(g), deleted the ending parenthesis after "editions".

Rewrote the first sentence of subsection(h) to read: "Costs in accordance with the latest State of Illinois Department of Central Management Services Travel Regulations (80 Ill. Adm. Code 2800) shall be allowable for expenses of transportation, lodging, per diem, and related items incurred by employees who are in travel status for official business outside the bureau's service area."

Revised the third sentence to read: "The bureau shall also submit to the Department a completed report for travel expenses with the quarterly reports."

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes.

13) Will these amendments replace an emergency amendment currently in effect? No.

14) Are there any amendments pending on this Part? No.

15) Summary and Purpose of Amendments: Amendments to the "Local Tourism and Convention Bureau Program" rules serve to add and clarify definitions found in Section 550.20, particularly regarding the issue of match. The rulemaking also limits travel under grant funding to trade/travel shows (see Section 550.20). The formula for allocating funds, found in Section 550.30 has been revised. Revisions to Section 550.35 limit the number of counties a bureau may be affiliated with to three. Program requirements in Section 550.40 have been updated.

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Various administrative requirements in Section 550.50 have been updated for the new program year. Changes include raising the funding ceiling from $275,000 to $350,000 and limiting salaries paid from grants to not more than one-half of the grant.

16) Information and questions regarding these adopted amendments shall be directed to:

Mr. John D. Taylor, Deputy Director
Department of Commerce and Community Affairs
Bureau of Program Administration
620 East Adams Street, 5th floor
Springfield, Illinois 62701
(217) 782-6136

The full text of the Adopted Amendments begins on the next page:

DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

NOTICE OF ADOPTED AMENDMENTS

TITLE 14: COMMERCE
SUBTITLE C: ECONOMIC DEVELOPMENT
CHAPTER I: DEPARTMENT OF COMMERCE AND COMMUNITY AFFAIRS

PART 550
LOCAL TOURISM AND CONVENTION BUREAU PROGRAM

Section
550.10 Purpose
550.20 Definitions
550.30 Formula for Allocation of Appropriations to Grantees
550.35 Eligible Applicants
550.40 Program Requirements
550.50 Administrative Requirements
550.60 Application Process

AUTHORITY: Implementing Section 46.6a of the Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989, ch. 127, par. 46.6a) and Section 8.25 of "AN ACT in relation to State finance" (Ill. Rev. Stat. 1989, ch. 127, par. 144.25) and authorized by Section 46.20 of the Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989, ch. 127, par. 46.20).

SOURCE: Adopted at 9 Ill. Reg. 4775, effective April 4, 1985; amended at 12 Ill. Reg. 2226, effective January 19, 1988; amended at 14 Ill. Reg. 5091, effective March 20, 1990; emergency amendment at 14 Ill. Reg. 5565, effective March 28, 1990, for a maximum of 150 days; emergency expired August 25, 1990; amended at 14 Ill. Reg. 18746, effective November 9, 1990; amended at 15 Ill. Reg. 1798 effective January 29, 1991.

NOTE: Capitalization denotes statutory language.

Section 550.20 Definitions

"Act" - Act means Section 11 of the Civil Administrative Code of Illinois (Ill. Rev. Stat. 1989 ~~1987~~, ch. 127, par. 46.6a) which establishes a grant program herein referred to as the Local Tourism and Convention Bureau Program.

"Applicant" - Applicant means a certified local tourism and convention bureau.

"Application" - Application means the written request by certified local tourism and convention bureaus for funds authorized by the Act.

"Bureau" - Bureau means local tourism and convention bureau.

"Certified Bureau" - Certified bureau means that local bureau which has been designated by the Department as a grantee entitled

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to receive funds under the Act in accordance with Section 550.60.

"Contractual Cooperative Project Agreement" - A contract to provide funds from a local entity to a bureau to cover a portion of the costs for a cooperative promotional project. Such funds must be deposited in the bureau's local account and expended solely on the project. Funds shall not be refunded to a local entity unless the bureau is unable to comply with the contractual agreement.

"Department" - Department means the Department of Commerce and Community Affairs.

"Department Logo" - Form of recognition as stipulated and supplied by the Department to identify promotional project/product as being produced in whole or in part through grant funds from the Department.

"Director" - Director means the Director of the Department of Commerce and Community Affairs.

"Fiscal Year" - Fiscal Year means July 1 through June 30, the fiscal year of the State of Illinois.

"Grant Document" - Grant document means a written and signed contractual document between a local tourism and convention bureau and the Department of Commerce and Community Affairs which includes a description of the activities to be performed, budget, and all terms and conditions of the contract.

"Grantee" - Grantee means a local tourism and convention bureau receiving Local Tourism and Convention Program funds from the Department.

"In-Kind Contributions" - ~~Volunteer time, donated space, etc. (non-monetary donations)~~ Donated services, donated space, donated equipment, services of volunteers, services in lieu of cash or any non-monetary item.

"Local Tourism and Convention Bureau (LTCB)" - Local tourism and convention bureau means a not-for-profit organization or public agency which represents and serves one or more municipalities or counties, and whose ~~purpose is~~ activities are consistent with the purpose of the Act~~, i.e.,~~. The LTCB shall ~~to~~ promote tourism and increase hotel-motel revenues~~,~~ and ~~which~~ employs a full-time paid professional executive director/chief executive officer that devotes ~~all time~~ at least 35 hours per week to the development and growth of tourism within the Bureau's region. The LTCB shall be located within any one of the municipalities or counties

served.

~~"Local --Government" ----Local --Government --means --county(ies), municipality(ies), -townships(s), -and -city(ies) -having -authority to -enact -laws -and -ordinances, -administer -laws -and -ordinances, raise-taxes-or-expend-funds.~~

"Match" - Match means bureaus' local funds that do not include in-kind contributions (see Section 550.50(d)).

"Municipality" - Municipality means a city, village or incorporated town.

"Population Served" - Population served means the population of the ~~cities, -towns, -or -counties~~ units of local government which the local tourism and convention bureau serves according to the latest certified census figures.

"Program" - Program means the Local Tourism and Convention Bureau Program.

"Project" - Project means promotional activities which are described by the applicant in the application and are approved and funded by the Department.

"Promotional Activities" - Promotional activities means activities which are designed to encourage overnight visits or visitors to and through Illinois or attendance at local events in accordance with Section 550.40.

"Travel/Trade Show" - An exhibit/market place of travel related products and/or services.

"Unit of Local Government" - Unit of Local Government means county(ies), municipality(ies), and townships(s), ~~-and -city(ies)~~ having authority to enact laws and ordinances, administer laws and ordinances, raise taxes or expend funds.

(Source: Amended at 15 Ill. Reg. 1798, effective January 29, 1991)

Section 550.30 Formula for Allocation of Appropriations to Grantees

In accordance with the Act, annual appropriations made by the General Assembly to the Department for the purpose of this program are allocated as follows:

a) 1/3 of such monies shall be used for grants to local convention and tourism bureaus ~~in~~ located within the corporate boundaries of cities with a population greater than 500,000; and

b) 2/3 of the annual appropriation shall be used for grants to bureaus located in the remainder of the State. Those funds will be distributed based on the following formula: Bureau's Share = Total Dollars To Be Dispersed x ~~1/3~~1/4 (Bureau's Population/Total Population of All Bureaus + Bureau's Eating and Drinking Place Sales Tax/Total Eating and Drinking Place Sales Tax + Bureau's Number of Hotel-Motel Rooms/Total Hotel-Motel Rooms of All Bureaus + Bureau's State Hotel/Motel Tax/Total State Hotel/Motel Tax of All Bureaus).

(Source: Amended at 15 Ill. Reg. 1798, effective January 29, 1991)

Section 550.35 Eligible Applicants

BUREAUS ELIGIBLE TO RECEIVE FUNDS ARE DEFINED AS THOSE BUREAUS IN LEGAL EXISTENCE AS OF JANUARY 1, 1985, WHICH ARE EITHER A UNIT OF LOCAL GOVERNMENT OR INCORPORATED AS A NOT-FOR-PROFIT ORGANIZATION, ARE AFFILIATED WITH ONE OR MORE MUNICIPALITY OR COUNTY, AND EMPLOY ONE FULL TIME (Section 46.6a(1) of the Act) paid, professional executive director/chief executive officer that devotes ~~all-time~~ at least 35 hours per week to the development and growth of tourism within a bureau's region.

(Source: Amended at 15 Ill. Reg. 1798, effective January 29, 1991)

Section 550.40 Program Requirements

a) Prior Approval

1) Project costs shall be deducted from future grant payments when bureaus fail to submit project review requests for prior approval three times during the program year.

2)~~1)~~ All projects/expenditures utilizing LTCB grant funds must be submitted to the LTCB grant manager for review and approval prior to project initiation. Bureaus must allow a minimum of 30 days prior to initiation of a project, for review and notification. The project review request must include the following information:

A) grant number;

B) date submitted;

C) fiscal year;

D) bureau name;

E) project title/description (e.g., number to be printed, location of ad placements, dates and

locations of conferences/events);

F) amount of state funds and local funds which comprise estimated project cost;

G) vendor name(s), description of services to be provided by vendor(s), and itemized cost;

H) anticipated initiation and completion dates;

I) evidence of bid solicitation (where applicable);

J) mock-ups or samples of project;

K) whether project was outlined in initial marketing plan;

L) whether project duplicates an existing project in bureau's service area;

M) targeted audience for project;

N) radius of targeted audience for project;

O) method of distributing project, and

P) signature, title, and date.

3)~~2)~~ If the project review request form is complete and is accompanied by the required supporting documentation, and if the project is an eligible promotional activity and includes the current Department logo, the project will be approved, subject to fund availability.

b) Promotional Activities:

1) Examples of eligible promotional activities include, but are not limited to:

A) Brochures /posters;

~~B) Travel expenses (transportation, lodging, per diem);~~

B)~~C)~~ Travel/trade show booth space rental, purchase of booth, ~~and/or~~ registration fees, and/or travel expenses (transportation, lodging, per diem for a maximum of 2 staff) to attend travel/trade show;

C)~~D)~~ Sponsorship of travel writers and familiarization

tours;

D)~~E)~~ Advertising through newspaper, magazine, radio, or television;

E)~~F)~~ Membership dues for tourism related associations or organizations;

F) Registration fees for tourism-related conferences/seminars;

G) Billboards;

H) Bumper stickers, placements, or any type of specialty items with Department recognition (see subsection (c)); ~~and~~

I) Production of videos for use in familiarization or travel/trade industry~~.~~; and

J) Sales/promotional staff person - not to be over 1/2 grant funds.

2) Examples of projects ineligible for grant promotional funding include, but are not limited to:

A) Any type of photocopied materials;

B) Projects containing paid advertising;

C) Any administrative expenses (stationery, envelopes, phone, rent, supplies, personnel or equipment);

D) Purchase of any alcoholic beverage;

E) Feasibility studies.

3) All promotional activities shall be subject to prior approval as stated under subsection(a).

c) Department Recognition: All projects funded through the grant program must incorporate the current Department logo which identifies the project as being developed in cooperation with the DCCA/Bureau of Tourism. A bureau which fails to include the Department identification (in its entirety) must reimburse the Department for State funds received in support of the project.

d) Within 60 days of completion of a project, proof of performance (i.e., copies of vendor invoices; tear sheets; and cancelled

checks, both front and back) must be submitted to the Department's LTCB grant manager along with 10% of all printed material produced with grant funds.

(Source: Amended at 15 Ill. Reg. 1798, effective January 29, 1991)

Section 550.50 Administrative Requirements

a) Grant Limitation: No bureau shall receive a grant for funds allocated in accordance with Section 550.30(b) in excess of ~~$275,000~~ $350,000 per fiscal year. A bureau may contact the Department for information regarding the amount of funds it is eligible to receive in accordance with Section 550.30.

b) Administrative Costs: Administrative costs shall be limited to not more than 10% of the grant funds. Administrative costs shall include general overhead costs such as office space, utilities, office supplies, equipment lease/rental, and salaries of administrative or support staff.

c) Promotional Costs: Promotional costs shall be limited to not less than 90% of the grant funds (see Section 550.40(b)).

d)~~e)~~ Matching Funds: Each bureau shall provide a dollar-for-dollar match for funds received under this program. Bureaus must receive prior Department approval (see Section 550.40(a)) on contractual cooperative project agreements used to satisfy match requirements. In-kind contributions will not be used to satisfy match requirements.

1) Local match shall:

A) be under the control of the bureau,

B) be identified in the bureau's grant application for the applicable fiscal year,

C) be expended during the applicable grant award period,

D) be supported by records of deposit and documentation of expenditures,

E) be expended by the bureau from funds in bureau accounts solely for the administration and tourism promotion of their service area as a destination for overnight visitors, and

F) not be refunded to any local source of match and still qualify as match.

2)~~1)~~ Sources of Eligible ~~m~~Match: ~~t~~The following monies, when received through a bureau's budget, may be used as match for state grant funds:

A) Local hotel/motel taxes,

B) membership dues,

C) interest on local monies, and

D) ~~private-funds~~ cash contributions.

3)~~2)~~ Ineligible Match:

A) In-Kind contributions such as donated services, donated space, donated equipment, services of volunteers, services in lieu of cash, or any non-monetary item;~~,~~

B) State or federal funds~~,~~;

C) ~~Match~~ Monies used as match for other state or federal grants ~~funds.~~;

D) Penalties, fines, service charges, late payment fees, or interest charges.

e)~~d)~~ Method of Compensation: Payments pursuant to a grant shall be subject to the availability of funds appropriated by the General Assembly.

1) The bureau shall receive grant funds, as stipulated in the grant document, upon approval of its application by the Department and signature of the grant document by the Executive Director of the bureau and by the Department.

2) A full-time paid, professional Executive Director, devoting at least 35 hours per week ~~all-time~~ to the development and growth of tourism within a bureau's region must be in place prior to funds being awarded.

3) All grant funds shall be obligated, (with respective vendor), prior to June 30 of the current fiscal year. An overpayment of grant funds (unobligated funds) shall be refunded to the Department, by August 15. In addition, the bureau shall repay the Department for any funds that are determined by the Department through monitoring (subsection ~~(g)~~ (i) below) and audit (subsection ~~(i)~~ (k) below) to have been spent in violation of the grant document.

4) All obligations shall be expended prior to September 30.

f)~~e)~~ Reporting Requirements: The penalty for failure to comply with the timely submission of financial, programmatic, and personnel activity reports (described in subsections~~(e)~~(f)(1) through (3)) shall be the withholding of subsequent monthly grant checks until all required reports are filed. The Department reserves the right to request additional information to clarify or document information on financial, programmatic, or personnel activities outlined in the reports.

1) Financial Reporting - Quarterly financial status reports shall be due no later than the 30th day of October, January, April and July beginning with the quarter following the effective date of the project. The quarterly financial reports shall specify the grant number, grantee name, grant period, report period, report preparer, contact person's name and phone number, date, and signature of bureau director. Additionally, the quarterly financial reports shall contain the following information which must be broken down between programmatic costs (~~not to exceed~~ to be at least 90% of grant total), administrative costs (not to exceed 10% of grant total), and match costs~~.~~:

A) Approved budget amount,

B) Grant funds received during the report period,

C) Expenditures for the report period (both state and match), and

D) Cumulative expenditures (total of grant expenditures from previous reports, plus expenditures for current grant period).

2) Programmatic Reporting - Quarterly Programmatic reports shall be due according to the same schedule specified in subsection~~(e)~~(f)(1) for both state and match. Final programmatic reports shall be due in the Department no later than September 30th. Quarterly and final reports use the same form. Bureau name, date submitted and indicator for quarterly/final report period shall be specified. Additionally, forms require program activities be reported by project type as follows:

A) Printed (e.g., brochures, posters) including:

i) project name,

ii) brief description of the project,

iii) number of printed items,

iv) cost of production/printing,

v) distribution network, and

vi) project results (documented/anticipated).

B) Printed Media Advertising including:

i) name (e.g., newspaper/magazine),

ii) brief description of ad subject,

iii) number of times run,

iv) cost of production/placement,

v) distribution network (circulation), and

vi) project results (documented/anticipated).

C) Electronic Media Advertising including:

i) name (e.g., call letters)/location,

ii) brief description of project,

iii) number of times aired,

iv) cost of production/placement,

v) distribution network, and

vi) project results (documented/anticipated).

D) Travel/Trade Shows or Conventions/Seminars including:

i) show or convention/seminar name,

ii) brief description of show or convention/seminar,

iii) number of persons attending (bureau personnel),

iv) expenses (including registration and travel), and

v) project results (documented/anticipated).

E) Memberships including:

i) organization name,

ii) brief description of organization,

iii) name of designated member(s),

iv) membership dues, and

v) benefits derived (documented/anticipated).

F) Sales/Marketing Personnel including:

i) name,

ii) title,

iii) number of contacts made,

iv) means by which contacts were made (e.g., telephone, personal, direct mail), and

v) results (documented/anticipated).

G) Miscellaneous Projects (e.g., billboards, speciality items, familiarization tours) including:

i) project name,

ii) brief description of project,

iii) number of items produced/people attending, ~~etc.;~~

iv) itemized cost of project,

v) distribution network, and

vi) results (documented/anticipated).

H) Additional Optional Comments: inclusion of additional narrative which the bureau feels may be beneficial to the program.

3) Personnel Activity Reporting - Personnel reports must be completed for each pay period and submitted, on the

provided form, according to the schedule specified in subsection(f)(1) ~~(d)~~. Only personnel paid with LTCB grant funds shall be included on this form. The quarterly personnel activity reports must include the following information:

A) Bureau name,

B) Employee name, social security number, and signature,

C) Time period covered,

D) Supervisor's signature as approval,

E) Employee hourly rate,

F) Actual hours or percent of time spent on each activity,

G) Optional comments, and

H) Total hours or percent of time paid from LTCB grant funds.

g)~~f)~~ Financial Management Standards: A bureau's financial management systems shall be structured under the Accounting Standards of the Financial Accounting Standards Board of the American Institute of Certified Public Accountants (AICPA) (1211 Avenue of the Americas, New York, N.Y. 10036-8775) ~~(June 1984~~September 19, 1987 with no later amendments or editions~~)~~. The bureau shall be accountable for all funds received under this program. The bureau shall maintain effective control and accountability over all funds, equipment, property, and other assets under the grant as required by the Department. The bureau shall keep records which detail the expenditures of grant and match funds and accurately document such expenditures.

h)~~g)~~ Travel Expenses: Costs in accordance with the latest State of Illinois Department of Central Management Services Travel Regulations (80 Ill. Adm. Code 2800) shall be allowable for expenses of transportation, lodging, per diem, and related items incurred by employees who are in travel status for official business outside the bureau's service area ~~related to the grant program~~. The bureau shall retain receipts as source documentation for travel expenses of its employees. The bureau shall also submit to the Department a completed report for travel expenses with the quarterly reports.

i)~~h)~~ Monitoring: The Department shall on-site monitor each bureau

funded under this program periodically by visits throughout the period covered under the grant agreement. The Department will notify the bureau in writing at least two working days in advance of monitoring visits. The bureau's marketing plan shall be evaluated for compliance with terms and conditions of the grant document.

j)~~i)~~ Interest on Grant Funds: All interest earned on LTCB grant funds held by the bureau under the grant shall be returned to the Department at the end of the grant period.

k)~~j)~~ Audits: The bureau shall conduct an audit of all grant and match program records which reflect the actual activities conducted and the actual costs and expenses incurred by the bureau using an independent certified public accountant, ~~certified and~~ licensed by authority of the State of Illinois. The audit shall be conducted in accordance with generally accepted auditing standards adopted by the Codification of Statements on Auditing Standards (January 1983) of the AICPA and must be submitted to the Department within twelve months of the end of the grantee's fiscal year ~~expiration of the grant~~. Any bureau determined to have misused program funds (i.e., fraud and abuse, noncompliance with this Part, noncompliance with terms and conditions of grant document) as a result of an audit shall be ineligible to apply for and receive funds under this program for a period not to exceed two years. The Department shall reserve the right to perform special audits of these funds during normal working hours.

l)~~k)~~ Nondiscrimination: The bureau shall refrain from unlawful discrimination in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination in accordance with the Illinois Human Rights Act (Ill. Rev. Stat. ~~1987 and 1988 Supp.~~ 1989, ch. 68, pars. 1-101 et seq.); Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794); the Age Discrimination Act of 1975 (42 U.S.C. 6106-6107); and Title VI of the Civil Rights Act of 1964 (24 CFR 1).

m)~~l)~~ Complaint Process: In the case of a grantee complaint, the Department shall follow the procedures outlined in 47 Ill. Adm. Code 10 (Review and Appeal Procedures).

n)~~m)~~ Nonduplication: Project activities funded under this program shall not duplicate any activity funded by the Tourism matching grant program (14 Ill. Adm. Code 510).

o)~~n)~~ Bids Solicitation: Bureaus shall attempt to obtain the lowest bid in implementation of their promotional activities. All

purchases, printing and other services in excess of $2,500.00, acquired with LTCB grant funds, shall be based on the lowest of two or more bids obtained through open bidding. Evidence of compliance with this subsection (i.e. copies of at least two bid proposals) shall be submitted with project approval request. For any purchasing and/or printing costs where the lowest bid is not accepted, documentation (e.g., project specifications and quality requirements) shall be submitted with project approval request.

p)~~o)~~ Bid Rigging/Rotating: The Bureau shall certify that it has not been barred from bidding on or receiving State contracts as a result of illegal bid rigging or bid rotating as defined in Sections 33E-3 and 33E-4 of the Criminal Code of 1961 (Ill. Rev. Stat. ~~1988 Supp.~~ 1989, ch. 38, pars. 33E-3 and 33E-4).

q)~~p)~~ Separate Account: A separate bank account shall be established for the purpose of this program. Two authorizing signatures shall be required for the account. Only grant funds received under this program shall be deposited in this account.

r)~~q)~~ Suspension and Termination:

1) If a bureau has failed to comply with the terms and conditions of the grant document, the Department shall suspend the grant and withhold further payments until the grant is terminated, or the bureau has achieved compliance. The Department will determine that a bureau has failed to comply with the terms and conditions of a grant when:

A) The bureau has been notified in writing of the existence of circumstances which the Department considers to be inconsistent with the terms and conditions of the grant (e.g., consistent failure to submit required reports or evidence of fraud and abuse); and

B) The bureau fails to develop, submit, and implement a corrective action plan within 45 days of the Department's notice.

2) A grant shall be terminated in the absence of full state funding; if the Department determines that the bureau has failed to comply with the terms and conditions of the grant in whole or in part; or if the Department and the bureau agree to terminate the grant.

s)~~r)~~ Hiring of Staff: Up to 1/2 of the ~~G~~grant funds received under this program may be used for the hiring of staff to conduct promotional activities. The bureau is prohibited from hiring any

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immediate family member of its current staff utilizing funds under this program. Immediate family members shall include a spouse, mother, father, daughter, and son.

t)~~s)~~ Reallocation of Funds: The grantee shall be required to identify that amount of its grant funds which will not be fully obligated by the end of the fiscal year, on or before May 1 of the current fiscal year. The grant document shall be decreased by the specified amount and such funds shall be reallocated by the Department to grantees who apply for (see application procedures specified in Section 550.60(d)) and can utilize available funds by the end of the fiscal year for new promotional projects.

u)~~t)~~ Bribery: The grantee certifies to the best of his/her knowledge that no official, agent, or employee of the grantee has been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor has any such officer, agent, or employee made an admission of guilt of such conduct which is a matter of record.

v)~~u)~~ Personal Profit Statement of Public Officials and Employees

The following contracting requirements shall be observed by the bureaus:

1) For local government bureaus: no officer or employee of the bureau, no member of its governing body, and no other public official (i.e., mayor, county board chairman, city manager) of the locality in which the program objectives will be carried out, who exercise any function or responsibility in the review or approval of the undertaking or carrying out of such objectives shall:

A) take part in the discussion, deliberation, awarding, or cancellation of any contract negotiated under this grant program which will result in any personal financial profit for the individual or for any corporation, partnership, or association with which he/she is associated (i.e., holds any stock or is a full or partial owner), or

B) receives any personal financial profit from such contract or from the work to be performed under such contract.

2) For nongovernmental bureaus: any such personal financial profit (as described in subsection~~(u)~~(v)(1)(B)) for an employee of the bureau, a member of its governing body, or an officer in the corporation, partnership, or association

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is permissible, provided the Department is notified, in writing, at least ten (10) days prior to the awarding of a contract for work to be performed by said corporation, partnership or association. The officer, employee, or member of the governing body of the bureau so affected shall remove him or herself from the room during any discussion, deliberation, or voting in connection with the awarding of such a contract.

(Source: Amended at 15 Ill. Reg. 1798, effective January 29, 1991)

DEPARTMENT OF EMPLOYMENT SECURITY

NOTICE OF ADOPTED AMENDMENT(S)

1) Heading of the Part: Employees' General Rights And Duties

2) Code Citation: 56 Ill. Adm. Code 2815

3) Section Number: 2815.105 — Adopted Action: Amended Section

4) Statutory Authority: Ill. Rev. Stat. 1989, ch. 48, pars. 540, 610 and 611, as amended by P.A. 86-1367, effective September 10, 1990.

5) Effective Date of the Amendment: January 24, 1991.

6) Does this rulemaking contain an automatic repeal date? No.

7) Does this Rule contain an incorporation by reference? No.

8) Date filed in Agency's Principal Office: January __, 1991.

9) Notice of Proposal published in Illinois Register: October 19, 1990 at 14 Ill. Reg. 17152.

10) Has JCAR issued a Statement of Objection to these Rules? No.

11) Difference between proposal and final version: None.

12) Have all the changes agreed upon by the Agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes.

13) Will this replace an emergency rule currently in effect? Yes.

14) Are there any amendments pending on this Part? No.

15) Summary and purpose of the rules: This Amendment to Part 2815 brings this rule into conformity with a recent amendment to the statute that eliminates the provision for the deduction of delinquent spousal support from unemployment insurance benefits.

16) Information and Questions regarding these Adopted Amendments may be addressed to:

Stella Adams Cuthbert, Commissioner
Illinois Department of Employment Security

DEPARTMENT OF EMPLOYMENT SECURITY

NOTICE OF ADOPTED AMENDMENT(S)

401 South State Street - 2 South
Chicago, Illinois 60605
312/793-4240

The full Text of the Adopted Amendment begins on the next page:

DEPARTMENT OF EMPLOYMENT SECURITY

NOTICE OF ADOPTED AMENDMENT(S)

TITLE 56: LABOR AND EMPLOYMENT
CHAPTER IV: DEPARTMENT OF EMPLOYMENT SECURITY
SUBCHAPTER e: RIGHTS AND DUTIES OF EMPLOYEES

PART 2815
EMPLOYEES' GENERAL RIGHTS AND DUTIES

SUBPART B: DEDUCTION OR ASSIGNMENT OF BENEFITS

Section
2815.100 Benefit Rights Not Subject To Waiver, Transfer, Or Claims Of Creditors
2815.105 Deductions From Unemployment Benefits For Delinquent ~~Spouse-Or~~ Child Support
2815.110 Deductions From Benefits To Be Paid To The Illinois Department Of Public Aid
2815.115 Illinois Department Of Public Aid Acting For The Director
2815.120 Order Of Deductions From Benefits
2815.125 Notice Of Deduction And Right Of Appeal
2815.130 Improper Deductions From Benefits

AUTHORITY: Implementing and authorized by Sections 1300, 1700 and 1701 of the Unemployment Insurance Act (Ill. Rev. Stat. 1989, ch. 48, pars. 540, 610 and 611, as amended by P. A. 86-1367, effective September 10, 1990).

SOURCE: Adopted at 10 Ill. Reg. 5118, effective March 18, 1986; amended at 11 Ill. Reg. 7270, effective April 3, 1987; emergency amendments at 13 Ill. Reg. 13268, effective July 27, 1989, for a maximum of 150 days; amended at 13 Ill. Reg. 19440, effective December 5, 1989; emergency amendments at 14 Ill. Reg. 17389, effective September 28, 1990, for a maximum of 150 days; amended at 15 Ill. Reg. 1817, effective January 24, 1991.

SUBPART B: DEDUCTION OR ASSIGNMENT OF BENEFITS

Section 2815.105 Deductions From Unemployment Benefits For Delinquent ~~Spouse-Or~~-Child Support

a) Whenever the Director is served by the Illinois Department of Public Aid with a copy of a court or administrative order for withholding of income on behalf of the persons specified in subsection (c), the Director shall deduct from an individual's benefits past due ~~spouse-or~~ child support~~,-or-both,~~ in designated ~~sums~~amount.

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b) Whenever an individual enters into an agreement for the deduction of a specified sum from his benefits under the Act in order to pay past due ~~spouse-or~~ child support, ~~or-both,~~-this agreement may be enforced by the Illinois Department of Public Aid by presenting to the Director the original of the agreement and requesting that the support payments sought to be satisfied be deducted out of the benefits payable to an individual required to provide support. The agreement must be signed by the individual and state clearly the amounts to be deducted from his benefits, in whose favor the support payments are payable, during which periods the deductions are to be made, and by what authority the individual is required to make support payments. If the Director is satisfied that the agreement meets the requirements herein provided, deductions shall be made in the amounts specified in the agreement.

c) The Illinois Department of Public Aid may enforce and collect from the Director any assignment of benefits to, or agreement for deductions for the benefit of, the following persons:

1) Those receiving a grant of financial aid under Article IV of the Illinois Public Aid Code (Ill. Rev. Stat. 198~~7~~9, ch. 23, par. 10-10.1 et seq.);

2) Those whose application for support services under Section 10-1 of the Illinois Public Aid Code has been approved; and

3) Those receiving public aid or support services from other states.

d) In every case where there is a court-ordered assignment of wages for past due ~~spouse-or~~-child support, this assignment of wages shall also be considered an order for withholding of income which can be enforced for collection under subsection (a).

(Source: Amended at 15 Ill. Reg. 1817, effective January 24, 1991)

ILLINOIS HEALTH CARE COST CONTAINMENT COUNCIL

NOTICE OF ADOPTED AMENDMENT(S)

1) Heading of Part: Hospital Price Information

2) Code Citation: 77 Ill. Adm. Code 2530

3) Section Number: Adopted Action:

2530.Appendix B Amendment

4) Statutory Authority: Implementing Section 4-4 of Article IV and authorized by Section 2-3 of Article II of the Illinois Health Finance Reform Act (Ill. Rev. Stat. 1989, ch. 111 1/2, pars. 6504-4, 6502-3).

5) Effective Date of Amendment: January 29, 1991

6) Does this rulemaking contain an automatic repeal date? No.

7) Does this amendment contain incorporations by reference? No.

8) Date Filed in Agency's Principal Office: January 10, 1991.

9) Notice of Proposal Published in Illinois Register: 14 Ill. Reg. 17428 - October 26, 1990.

10) Has JCAR issued a Statement of Objections to this Rule: No.

11) Difference between proposal and final version: No substantive changes were made from the original proposed amendment. Suggestions of the Administrative Code Unit were incorporated. Pursuant to agreements with the Joint Committee on Administrative Rules, a closed parenthesis was added to the Authority Note.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes.

13) Will this amendment replace an emergency amendment currently in effect? No.

14) Are there any amendment pending on this Part: No.

15) Summary and Purpose of Amendment: The amendment simplifies the procedure for reporting Outpatient Services.

ILLINOIS HEALTH CARE COST CONTAINMENT COUNCIL

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16) Information and questions regarding this adopted amendment shall be directed to:

John Noak
516 East Monroe Street
Suite 200
Springfield, Illinois - 62701
(217) 785-8477

The full text of the Adopted Amendment begins on the next page.

ILLINOIS HEALTH CARE COST CONTAINMENT COUNCIL

NOTICE OF ADOPTED AMENDMENT(S)

TITLE 77: PUBLIC HEALTH
CHAPTER XI: ILLINOIS HEALTH CARE COST CONTAINMENT COUNCIL

PART 2530
HOSPITAL PRICE INFORMATION

Section
2530.10 Price Information
2530.20 Posting Price Information
2530.30 Size and Place of Posting
2530.40 Reporting Information
APPENDIX A Current Established Charges For Services
APPENDIX B Report of Current Charges for Outpatient Services and Procedures

AUTHORITY: Implementing Section 4-4 of Article IV and authorized by Section 2-3 of Article II of the Illinois Health Finance Reform Act (Ill. Rev. Stat. 1989, ch. 111 1/2, pars. 6504-4, 6502-3).

SOURCE: Adopted at 9 Ill. Reg. 12764, effective August 5, 1985; amended at 12 Ill. Reg. 20089, effective November 21, 1988; amended at 15 Ill. Reg. 1821, effective January 29, 1991.

Section 2530.APPENDIX B Report of Current Charges for Outpatient Services and Procedures

SERVICES TO BE REPORTED	PRICE
Mammography	$
CAT Scan (computerized axial tomography of head)	$
Upper GI Series	$
HIV Antibody - ELISA	$
HIV Antibody - Western Blot	$

PROCEDURES TO BE REPORTED	MEAN PRICE
D & C (Non-Obstetrical)	$
Arthroscopy - knee	$
Cystoscopy	$
Tonsillectomy w/o adenoidectomy	$
Tonsillectomy w/adenoidectomy	$

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Capsular extraction of lens (cataract removal)	$
Bone Marrow	$
Excision of Bunion and Bunionette	$

OUT-PATIENT SERVICES AND PROCEDURES TO BE REPORTED

REPORT SERVICES

Services: State the most common price for the following services as listed on the hospital charge master, as of December 31, 19____.

1. Mammography:

   State the most common price for a mammography test (bilateral view)

2. Computerized axial tomography of head.

   State the most common price for a CAT scan of the head:

3. Upper GI Series

   State the most common price for an Upper GI Series.

4. HIV (HTLV-III) Antibody Detection Immunoassay (ELISA):

   State the most common price for a HIV (HTLV-III) Antibody Detection Immunoassay (ELISA) Test.

5. HIV (Western Blot) Confirmatory:

   State the most common price for a HIV (Wester Blot) Confirmatory Test.

REPORT PROCEDURES

Calculate and state the mean charge for each of the following eight (8) out-patient procedures performed as listed below by a specific ICD-9-CM or CPT-4 code. The charges to be calculated are to represent the charges billed on the hospital UB-82 form for out-patient procedures performed December 1-31 of the calendar year. The following definition shall be used in calculating each coded procedures mean charge:

$$\frac{\text{Total Aggregate Charge Per Code Procedure}}{\text{Total number of such coded procedures performed}} = \text{Mean Average}$$

Procedures to be reported. ICD-9-CM means procedures as described in the International Classification of Diseases, ~~9th~~ 13th Revision,

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Clinical Modification, Annotated Edition ~~Third~~ Eighth Printing, October, ~~1987~~1990 published by the United States National Center for Health Statistics and does not include any later amendments or editions. CPT-4 means procedures as described in Physicians' Current Procedural Terminology Fourth Edition ~~CPT-1986~~ CPT-1990, ~~First Printing,~~ November, ~~1985~~ 1989 published by the American Medical Association and does not include any later amendments or editions.

1. ICD-9-CM 69.09 or CPT-4 58120 D & C (Non-obstetrical)

2. ICD-9-CM 80.26 with or without 80.36 - CPT-4 29870 Arthroscopy - Knee

3. ICD-9-CM 57.32-57.33 Biopsy or CPT-4 52000-52007 Cystoscopy

4. ICD-9-CM 28.2 or CPT-4 42826 Tonsillectomy without Adenoidectomy

5. ICD-9-CM 28.3 or CPT-4 42821 Tonsillectomy with Adenoidectomy

6. ICD-9-CM 13.11-13.59 or CPT-4 66830-66984 Capsular Extraction of Lens (Cataract removal)

7. ICD-9-CM 41.31 or CPT-4 85095 or 85102 Bone Marrow (Biopsy/Aspiration)

8. ICD-9-CM 77.51-77.59 or CPT-4 28290-28299 and 28110 Excision of Bunion and Bunionette

(Source: Amended at 15 Ill. Reg. 1821, effective January 29, 1991)

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENT

1) The Heading of the Part: ILLINOIS COMPETITIVE ACCESS AND REIMBURSEMENT EQUITY (ICARE) PROGRAM

2) Code Citation: 89 Ill. Adm. Code 149

3) Section Number: Adopted Action:

149.150 Amendment

4) Statutory Authority: Sections 5-5.1 et seq. and 12-13 of the Illinois Public Aid Code (Ill. Rev. Stat. 1989, Ch. 23, Pars. 5-5.1 et seq. and 12-13)

5) Effective Date of Adopted Amendment: January 28, 1991

6) Does this rulemaking contain an automatic repeal date? ____Yes X No

7) Does this Adopted Amendment contain incorporations by reference? No

8) Date Filed in Agency's Principal Office: January 28, 1991

9) Notice of Proposal Published in Illinois Register: September 28, 1990 (14 Ill. Reg. 15722)

10) Has JCAR issued a Statement of Objections to this Adopted Amendment? No

11) Difference between proposal and final version: None

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR? Yes

13) Will this Adopted Amendment replace an Emergency Amendment currently in effect? No

14) Are there any Amendments pending on this Part? No

15) Summary and Purpose of Adopted Amendment: This revision is in response to comments received in an OAG audit. Currently, the hospital must notify the Department within 10 calendar days by certified or registered mail of their intent to participate in negotiations. This method of notification is not always possible due to the short time period and delays in the mail process. This rulemaking permits hospitals to notify the Department by direct

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contact within the ten day period. This contact must be confirmed by certified or registered mail.

16) Information and questions regarding this Adopted Amendment shall be directed to:

Name: Daniel Leikvold, Staff Attorney
Office of the General Counsel

Address: Jesse B. Harris Building II
100 South Grand Avenue East
Springfield, Illinois 62762-0001

Telephone: (217) 782-1233

The full text of the Adopted Amendment begins on the next page:

DEPARTMENT OF PUBLIC AID

NOTICE OF ADOPTED AMENDMENT

TITLE 89: SOCIAL SERVICES
CHAPTER I: DEPARTMENT OF PUBLIC AID
SUBCHAPTER d: MEDICAL PROGRAMS

PART 149
ILLINOIS COMPETITIVE ACCESS AND REIMBURSEMENT EQUITY (ICARE) PROGRAM

Section
149.5 Illinois Competitive Access and Reimbursement Equity (ICARE) Program
149.25 Definition of Terms
149.50 Notification of Negotiations
149.75 Hospital Participation in ICARE Program Negotiations
149.100 Negotiation Procedures
149.105 Factors Considered In Awarding ICARE Contracts
149.125 Closing an ICARE Area
149.150 Administrative Review
149.175 Payments to Contracting Hospitals
149.200 Admitting and Clinical Privileges
149.205 Inpatient Hospital Care or Services by Non-Contracting Hospitals Eligible for Payment
149.225 Payment to Hospitals for Inpatient Services or Care not Provided under the ICARE Program
149.250 Contract Monitoring
149.275 Transfer of Recipients
149.300 Validity of Contracts
149.305 Termination of ICARE Contracts
149.325 Hospital Services Procurement Advisory Board

AUTHORITY: Implementing Article II of the Illinois Health Finance Reform Act (Ill. Rev. Stat. ~~1987~~ 1989, ch. 111 1/2, par. 6503-1 et seq.) and implementing and authorized by Articles III, IV, V, VI, VII and Section 12-13 of the Illinois Public Aid Code (Ill. Rev. Stat. ~~1987~~ 1989, ch. 23, pars. 3-1 et seq., 4-1 et seq., 5-1 et seq., 6-1 et seq., 7-1 et seq., and 12-13)

SOURCE: Recodified from 89 Ill. Adm. Code 140.940 thru 140.972 at 12 Ill. Reg. 7401; amended at 12 Ill. Reg. at 12095, effective July 15, 1988; amended at 13 Ill. Reg. 554, effective January 1, 1989; amended at 13 Ill. Reg. 15070, effective September 15, 1989; amended at 15 Ill. Reg. 1826, effective January 28, 1991.

NOTE: CAPITALIZATION DENOTES STATUTORY LANGUAGE.

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NOTICE OF ADOPTED AMENDMENT

Section 149.50 Notification of Negotiations

The Department shall notify in writing by certified or registered mail, return receipt requested, all hospitals within an ICARE area that it intends to open negotiations for the purpose of contracting for inpatient hospital care provided to recipients. The hospital shall have ten (10) calendar days after receipt of the Department's notification to notify~~, by certified or registered mail, return receipt requested,~~ the Department of its interest, or lack of interest, in participating in the ICARE Program. Direct contact to the Department by the hospital within the (10) calendar days is acceptable, but must be followed by certified or registered mail, notifying the Department of the hospital's intent to participate. Failure of the hospital to respond ~~by certified or registered mail, return receipt requested, to the Department's notice~~ within ten (10) calendar days shall result in exclusion from negotiations and thus exclusion from the possibility of receiving a contract under the ICARE Program.

(Source: Amended at 15 Ill. Reg. 1826, effective January 28, 1991)

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED REPEALER

1) Heading of the Part:

Family Practice Residency Act

2) Code Citation:

77 Ill. Adm. Code 590

3) Section Numbers: Adopted Action:

590.10	Repealer
590.20	Repealer
590.30	Repealer
590.40	Repealer
590.50	Repealer
590.100	Repealer
590.110	Repealer
590.120	Repealer
590.130	Repealer
590.140	Repealer

4) Statutory Authority:

Family Practice Residency Act
Ill. Rev. Stat. 1989, ch. 144, Par. 1451 et seq.

5) Effective Date of Rules:

January 15, 1991

6) Does this Rulemaking Contain an Automatic Repeal Date? Yes ___ No X

If "yes," please specify date:

7) Does this Rulemaking Contain Any Incorporations by Reference? Yes___No X

If "yes," please specify type: 6.02(a)___ or 6.02(b)___

If "6.02(b)," was a copy of the approval form issued by the Joint Committee attached to this rulemaking? Yes ___ No ___

8) Date Filed in Agency's Principal Office:

January 15, 1991

9) Date Notice(s) of Proposal was Published in Illinois Register:

June 1, 1990 - 14 Ill. Reg. 8493

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED REPEALER

10) Has the Joint Committee on Administrative Rules issued a Statement of Objections to this/these Rules? Yes___ No X

If "yes," please complete the following:

A) Statement of Objection: _____, ___ Ill. Reg. _____

B) Agency Response: _____, ___ Ill. Reg. _____

C) Date Agency Response Submitted for Approval to the Joint Committee:

11) Difference Between Proposal and Final Version:

No changes were made to these rules.

12) Have all the changes agreed upon by the Agency and the Joint Committee have been made as indicated in the agreement letter issued by the Joint Committee?

No changes were suggested by the Joint Committee.

13) Will the Rules Replace an Emergency Rule Currently in Effect?

Yes ___ No X

14) Are there any other Amendments Pending on this Part? Yes X No___

If Yes:

Section Numbers	Proposed Action	Ill. Reg. Citation
590.10	Section Added	14 Ill. Reg. 8503
590.20	Section Added	14 Ill. Reg. 8503
590.30	Section Added	14 Ill. Reg. 8503
590.40	Section Added	14 Ill. Reg. 8503
590.50	Section Added	14 Ill. Reg. 8503
590.100	Section Added	14 Ill. Reg. 8503
590.110	Section Added	14 Ill. Reg. 8503
590.120	Section Added	14 Ill. Reg. 8503
590.130	Section Added	14 Ill. Reg. 8503
590.140	Section Added	14 Ill. Reg. 8503
590.200	Section Added	14 Ill. Reg. 8503
590.210	Section Added	14 Ill. Reg. 8503
590.220	Section Added	14 Ill. Reg. 8503
590.230	Section Added	14 Ill. Reg. 8503
590.240	Section Added	14 Ill. Reg. 8503

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Section Numbers	Proposed Action	Ill. Reg. Citation
590.300	Section Added	14 Ill. Reg. 8503
590.310	Section Added	14 Ill. Reg. 8503
590.320	Section Added	14 Ill. Reg. 8503
590.330	Section Added	14 Ill. Reg. 8503
590.400	Section Added	14 Ill. Reg. 8503
590.410	Section Added	14 Ill. Reg. 8503
590.420	Section Added	14 Ill. Reg. 8503
Appendix A	Section Added	14 Ill. Reg. 8503
Appendix B	Section Added	14 Ill. Reg. 8503
Appendix C	Section Added	14 Ill. Reg. 8503
Appendix D	Section Added	14 Ill. Reg. 8503

15) Summary and Purpose of Rules:

This Part is being repealed and replaced with a new set of rules also published in this issue of the Illinois Register.

16) Information and Questions regarding this Adopted Repealer shall be directed to:

Gail M. DeVito, Division of Governmental Affairs, Department of Public Health, 535 West Jefferson, Second Floor, Springfield, Illinois 62761, (217)782-6187.

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NOTICE OF ADOPTED RULES

1) Heading of the Part:

Family Practice Residency Code

2) Code Citation:

77 Ill. Adm. Code 590

3)

Section Numbers:	Adopted Action:
590.10	New Section
590.20	New Section
590.30	New Section
590.40	New Section
590.100	New Section
590.110	New Section
590.120	New Section
590.130	New Section
590.140	New Section
590.200	New Section
590.210	New Section
590.220	New Section
590.230	New Section
590.240	New Section
590.300	New Section
590.310	New Section
590.320	New Section
590.330	New Section
590.400	New Section
590.410	New Section
590.420	New Section
590.Appendix A	New Section
590.Appendix B	New Section
590.Appendix C	New Section
590.Appendix D	New Section

4) Statutory Authority:

Family Practice Residency Act
Ill. Rev. Stat. 1989, ch. 144, par. 1451 et seq.

5) Effective Date of Rules:

January 25, 1991

6) Does this Rulemaking Contain an Automatic Repeal Date? Yes ___ No X

If "yes," please specify date:

DEPARTMENT OF PUBLIC HEALTH

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7) Does this Rulemaking Contain Any Incorporations by Reference?

Yes X No ___

If "yes," please specify type: 6.02(a) X or 6.02(b) ___

If "6.02(b)," was a copy of the approval form issued by the Joint Committee attached to this rulemaking? Yes ___ No ___

8) Date Filed in Agency's Principal Office:

January 15, 1991

9) Date Notice(s) of Proposal was Published in Illinois Register:

June 1, 1990 - 14 Ill. Reg. 8503

10) Has the Joint Committee on Administrative Rules issued a Statement of Objections to this/these Rules? Yes ___ No X

If "yes," please complete the following:

A) Statement of Objection: _____, ___ Ill. Reg. _____

B) Agency Response: _____, ___ Ill. Reg. _____

C) Date Agency Response Submitted for Approval to the Joint Committee:

11) Difference Between Proposal and Final Version:

The following changes were made in response to comments received during the first notice or public comment period:

Section 590.20 definition of "obstetrical service area" is being modified to use the words "citizen or equivalent" to replace "resident."

Section 590.20 is being modified to include the following definition: "Rural" means any geographic area not located in a U.S. Bureau of the Census Metropolitan Statistical Area; or a county located within a Metropolitan Statistical Area but having a population of 60,000 or less; or a community located within a Metropolitan Statistical Area but having a population of 2,500 or less.

Section 590.410(c)(5) will have the words "and family physicians providing obstetrical care" added in the final clause, line 6, following the word "obstetricians." In line 3, the word "by" will be deleted and

DEPARTMENT OF PUBLIC HEALTH

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the word "into" substituted in the phrase "statewide average obtained by dividing the number of obstetricians providing patient care in Illinois by into the number of births . . . ."

Section 590.240 will have a paragraph added, (j), to read "In the event a scholarship recipient fails to pay monies owed the Department, the Department may refer the matter to the Attorney General or to a collection agency."

Section 590.330 will have a paragraph added, (g), to read "In the event the physician does not repay any funds owed to the Department, the Department may refer the matter to the Attorney General or to a collection agency."

Appendix A, paragraph 9 will have the words "or may refer the matter to a collection agency" added at the end of the last sentence in the paragraph.

Appendix B, paragraph 6 will have the words "or may refer the matter to a collection agency" added.

Appendix C, paragraph 7 will have the words "or may refer the matter to a collection agency" added.

Appendix D, paragraph 8 will have the words "Should Contractor fail to pay monies due, the Department may refer the matter to the Attorney General or to a collection agency" added.

The following changes were made in response to comments and suggestions of the Joint Committee on Administrative Rules:

1. To add,

   " 4) Provide funds for rental of office space, purchase of equipment and other uses necessary to enable family practitioners to locate their practices in communities located in designated shortage areas."

   in Section 590.120(b).

2. To add "Department" after "New" in Section 590.130(c)(1).

3. To add "Department" after "Continuing" in Section 590.130(c)(2).

4. To add, "and all funds provided by the Department to the student shall be due in full, immediately,." in Section 590.230(e)(1) after "education."

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5. To add, "of the recipients" after "award" in Section 590.240(i).

6. To add the following in Section 590.410(c)(4) after "practice":

   "Sufficient need, for the purposes of this subsection, may be documented in the following manner:

   A) At least 80% of the non-pediatrician (or obstetrician) physicians agreeing that there is a sufficient need.

   B) At least 80% of the pediatricians (or obstetrician) physicians agreeing that there is a sufficient need

   C) Agreement by the hospitals and local health department administrators."

7. To add in Section 590.20, definition of "Medical school," after "Regulation", "pursuant to the Medical Practice Act of 1987 (Ill. Rev. Stat. 1989, ch. 111, par. 4400-1)."

8. In Section 590.100(b), to add "in Illinois" after "osteopathy."

9. In Section 590.110, to add as introductory: "Grant funds awarded by the Department may only be used to support project expenses and operations."

10. In Section 590.120(d), to rewrite this subsection to read: "Project directors shall annually submit fiscal and program objective progress reports."

11. In Section 590.140(a), to change the phrase "impact can" to "impact shall."

12. In Section 590.210(a)(3), to add the following language after "school": ." The Department shall find a financial need when the information provided reveals a deficit in available funds for tuition and fees."

13. In Section 590.220(c)(1), to add the language "(See Appendix A)" after the term "funds."

14. In Section 590.230(a), to change the language "may contain" to "contains."

15. In Section 590.230(d), to add the following after "signature:"

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED RULES

The Department shall accept a request for a suspension when supported by a letter from the recipient's physician attesting to the recipients inability (either temporarily or permanently) to continue (either school or the practice of medicine) and the recipient's agreeing to not continue either his or her medical education (or the practice of medicine) in any state.

16. In Section 590.240(b)(1), to change the term "may" to "shall" and in Section 590.240(c), to change the term "may" to "shall."

17. In Section 590.30(b)(3), to add the following as a new subsection:

    3) 42 CFR 5(See Section 590.410(b)).

18. In Section 590.30(b), to change the phrase "Illinois Rules" to "Illinois and Federal Rules." and

19. In Section 590.410(b), to add the language "(See 42 CFR 5)" after "Services."

20. In Section 590.120(a), (b), (c) and (d), to change the terms "will" and "must" to "shall."

21. In Section 590.130(a), (b), (c) and (c)(1) and (2), to change the terms "will" and "must" to "shall."

22. In Section 590.140(a), (b), (f) and (g), to change the terms "will" and "must" to "shall."

23. In Section 590.200(a), (c) and (d), to change the terms "will" and "must" to "shall."

24. In Section 590.210(a) and (b), to change the terms "will" and "must" to "shall."

25. In Section 590.220(a), to change the term "will" to "shall."

26. In Section 590.230(e)(1) and (2) and (f), to change the terms "will" and "must" to "shall."

27. In Section 590.240(e), (e)(1), (f) and (i)(1), to change the terms "will" and "must" to "shall."

28. In Section 590.310(b), (c) and (d), to change the terms "will" and "must" to "shall."

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29. In Section 590.320(b), (c), (e) and (f), to change the terms "will" and "must" to "shall."

30. In Section 590.330(b), (c), (d) and (e), to change the terms "will" and "must" to "shall."

31. In Section 590.410(c), to change the terms "will" and "must" to "shall."

32. In Section 590.420(a), (b) and (c), to change the terms "will" and "must" to "shall."

33. In Section 590.110(c) and (d), to change the term "are not" to "shall not."

34. In Section 590.300(a), to change the term "are to" to "shall."

35. In Section 590.20 definition of "Committee," to change the phrase "this Act" to "the Act."

36. In Section 590.20 definition of "Designated shortage area," to change the phrase "this Act" to "the Act."

37. In Section 590.20 definition of "Medically underserved population," to change the phrase "individuals living" to "individuals who live."

38. In Section 590.100(a), to add the term "or" after the semi-colon.

39. In Section 590.130(c)(1)(B), to add the term "an" between "and" and "explanation."

40. In Section 590.220(a)(9), to add the term "those" between "or" and "granted."

41. In Section 590.240(a), to add the term "academic" between "each" and "year."

42. In Section 590.240(f)(4), to change the phrase "Be provided in continuous" to "Be providing continuous."

43. In Section 590.320(f), to change the citation "590.320(f)" to "subsection (e)."

44. In Appendix A, Appendix B, Appendix C and Appendix D to delete "Bernard J. Turnock, M.D." in the signature areas.

In addition, various typographical, grammatical and form changes were made in response to the comments from the Administrative Code Division

and the Joint Committee on Administrative Rules.

12) Have all the changes agreed upon by the Agency and the Joint Committee been made as indicated in the agreement letter issued by the Joint Committee?

The Department has made all the changes to which it agreed with the Joint Committee.

13) Will the Rules Replace an Emergency Rule Currently in Effect?

Yes ___ No X

14) Are there any other Amendments Pending on this Part? Yes ___ No X

If Yes:

Section Numbers	Proposed Action	Ill. Reg. Citation

15) Summary and Purpose of Rules:

This Part is in response to an act designed to improve the availability of primary health care throughout the State. The provisions of this rulemaking are organized into six components which consist of five Subparts and four appendices. Subpart A includes general provisions, such as definitions and administrative hearing rules, which apply to all Sections of the Part.

Subpart B includes provisions for awarding grants to graduate medical education programs which train physicians in the specialty of family practice. These provisions set forth the application and selection processes for distribution of grant funds, and performance requirements.

Subpart C includes provisions for distribution of medical student scholarships. These provisions set forth eligibility for scholarships, criteria for selection, and performance requirements resulting from acceptance of a scholarship.

Subpart D includes provisions for the repayment of educational loans for primary care physicians who agree to practice in designated shortage areas of the State.

Subpart E describes criteria used to designate areas of the State needing additional primary care physicians.

The appendices include sample contracts used in the scholarship and loan

repayment activities described in this Part.

The economic effect of this rulemaking is unknown. Therefore, the Department would appreciate comments on the possible economic effects.

16) Information and Questions regarding this Adopted Rulemaking shall be directed to:

Ms. Gail DeVito, Division of Governmental Affairs, Department of Public Health, 535 West Jefferson, Fifth Floor, Springfield, Illinois 62761, 217/782-6187.

The full text of the Adopted Rules begins on the next page:

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED RULES

TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER g: GRANTS TO DENTAL AND MEDICAL STUDENTS

PART 590
FAMILY PRACTICE RESIDENCY CODE

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590.400 Data Elements Used in Designation Process
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590.Appendix A Sample Contract for Medical Student Scholarship (Student Contract)
590.Appendix B Sample Contract for Scholarship Service Obligation
590.Appendix C Sample Contract for Monetary Repayment of Scholarship Obligation
590.Appendix D Sample Contract for Educational Loan Repayment

AUTHORITY: Implementing and authorized by Family Practice Residency Act (Ill. Rev. Stat. 1989, ch. 144, par. 1451 et seq.).

SOURCE: Filed June 8, 1978; amended at 4 Ill. Reg. 38, p. 185, effective September 10, 1980; codified at 8 Ill. Reg. 4509; Part repealed, new Part adopted at 15 Ill. Reg. 1833, effective January 25, 1991.

NOTE: Capitalization denotes statutory language.

SUBPART A: GENERAL PROVISIONS

Section 590.10 Applicability

a) This Part is in response to an act designed to improve the availability of primary health care throughout the State. The provisions of this rulemaking are organized into six components which consist of five Subparts and four Appendices. Subpart A includes general provisions, such as definitions and administrative hearing rules, which apply to all Sections of the Part.

b) Subpart B includes provisions for awarding grants to graduate medical education programs which train physicians in the specialty of family practice. These provisions set forth the application and selection processes for distribution of grant funds, and performance requirements.

c) Subpart C includes provisions for the distribution of medical student scholarships. These provisions set forth eligibility for scholarships, criteria for selection, and performance requirements resulting from acceptance of a scholarship.

d) Subpart D includes provisions for the repayment of educational loans for primary care physicians who agree to practice in designated shortage areas of the State.

e) Subpart E describes criteria used to designate areas of the State needing additional primary care physicians.

f) The appendices include sample contracts used in the scholarship and loan repayment activities described in this Part.

Section 590.20 Definitions

"Accredited family practice residency" means a training program meeting the requirements of the Accreditation Council for Graduate Medical Education of the American Medical Association, or by the Committee on Postdoctoral Training of the American Osteopathic Association.

"ACT" MEANS THE FAMILY PRACTICE RESIDENCY ACT (Ill. Rev. Stat. 1989, ch. 144, par. 1451 et seq.).

"COMMITTEE" MEANS THE ADVISORY COMMITTEE FOR FAMILY PRACTICE RESIDENCY PROGRAMS CREATED BY the ACT (Section 3.03 of the Act).

"Community Based Organization" means a locally organized and locally recognized group of individuals whose goals include efforts to maintain or increase the availability of primary health care in their community.

"DEPARTMENT" MEANS THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH (Section 3.01 of the Act).

"DESIGNATED SHORTAGE AREA" MEANS AN AREA DESIGNATED BY THE DIRECTOR AS A PHYSICIAN SHORTAGE AREA, A MEDICALLY UNDERSERVED AREA, OR A CRITICAL HEALTH MANPOWER SHORTAGE AREA AS DEFINED BY THE UNITED STATES DEPARTMENT OF HEALTH, EDUCATION AND WELFARE, OR AS FURTHER DEFINED BY THE DEPARTMENT TO ENABLE IT TO EFFECTIVELY FULFILL THE PURPOSE STATED IN SECTION 2 OF the ACT. SUCH AREAS MAY INCLUDE THE FOLLOWING:

AN URBAN OR RURAL AREA WHICH IS A RATIONAL AREA FOR THE DELIVERY OF HEALTH SERVICES;

A POPULATION GROUP; OR

A PUBLIC OR NONPROFIT PRIVATE MEDICAL FACILITY

(Section 3.04 of the Act).

"DIRECTOR" MEANS THE DIRECTOR OF THE ILLINOIS DEPARTMENT OF PUBLIC HEALTH (Section 3.02 of the Act).

"FAMILY PRACTICE RESIDENCY PROGRAM" MEANS A PROGRAM ACCREDITED BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION, OR THE COMMITTEE ON POSTDOCTORAL TRAINING OF THE AMERICAN OSTEOPATHIC ASSOCIATION (Section 3.06 of the Act).

"Fellowship" means optional medical training, usually one year,

completed after the residency training required for each of the primary care specialties.

"Full-time practice for physicians with active staff privileges" means maintaining office hours for patient care which equal or exceed the mean number of office hours per week reported by physicians, by specialty, and published in the American Medical Association's "Socioeconomic Characteristics of Medical Practice, 1989."

"Full-time practice for primary care physicians without active staff privileges" at a hospital means maintaining office hours or being employed for patient care an amount of time at least equal to the mean number of office hours per week reported by family practice physicians in the American Medical Association's "Socioeconomic Characteristics of Medical Practice, 1989."

"Local health department" means a county, multi-county, municipal or district public health agency recognized by the Department.

"Matriculation fees" are those educational expenses charged all students by the various medical schools. Such fees are charged to offset the expenses incurred by the school in areas such as the application and enrollment processing, library use charges, mandatory health insurance, and student activity fees.

"Medical school" means any private or public nonprofit school in Illinois which provides education leading to a doctor of medicine or osteopathy degree, and which is approved by the Illinois Department of Professional Regulation, pursuant to the Medical Practice Act of 1987 (Ill. Rev. Stat. 1989, ch. 111, par. 4400-1).

"Medical student" means a resident of Illinois STUDYING MEDICINE IN A MEDICAL SCHOOL LOCATED IN ILLINOIS (Section 3.07 of the Act).

"Medically underserved population" means individuals who live in a designated shortage area or who, because of special health needs or low income, experience difficulty receiving health care.

"Obstetrical service area" means that geographical area surrounding a hospital with an obstetrical unit and which is defined by an imaginary boundary determined by the shortest distance, either in time or miles, for a citizen or equivalent to travel to one hospital rather than another.

"PRIMARY CARE PHYSICIAN" MEANS A PERSON LICENSED TO PRACTICE MEDICINE IN ALL OF ITS BRANCHES UNDER THE MEDICAL PRACTICE ACT of 1987 (Ill. Rev. Stat. 1989, ch. 111, par. 4400-1 et seq.) WITH A

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SPECIALTY IN FAMILY PRACTICE, INTERNAL MEDICINE, OBSTETRICS AND GYNECOLOGY, OR PEDIATRICS AS DEFINED BY RECOGNIZED STANDARDS OF PROFESSIONAL MEDICAL PRACTICES (Section 3.05 of the Act).

"Rational service area" means the geographic area surrounding a physician's office, a hospital or a clinic, and from which the residents may be reasonably expected to seek health care from the physician, hospital or clinic located within the area.

"Residency matching process" means the National Resident Matching Program which coordinates the matching of medical students with the hospitals and residency training programs in the medical students' selected specialty. The matching application process usually lasts from June through September of one year, with match announcements made in March of the following year.

"Residency training" means the years of graduate medical education which follow medical school and which train the new physician in his or her chosen specialty (i.e., family practice, pediatrics, etc.).

"Rural" means any geographic area not located in a U.S. Bureau of the Census Metropolitan Statistical Area; or a county located within a Metropolitan Statistical Area but having a population of 60,000 or less; or a community located within a Metropolitan Statistical Area but having a population of 2,500 or less.

Section 590.30 Incorporated Materials

The following materials are incorporated or referenced in this Part:

a) Illinois Statutes

1) Family Practice Residency Act (Ill. Rev. Stat. 1989, ch. 144, par. 1451 et seq.).

2) Medical Practice Act of 1987 (Ill. Rev. Stat. 1989, ch. 111, par. 4400-1 et seq.) (See Section 590.20).

b) Illinois and Federal Rules

1) Rules of Practice and Procedure in Administrative Hearings (77 Ill. Adm. Code 100).

2) 44 Ill. Adm. Code 750.App. A (See Appendices).

3) 42 CFR 5 (See Section 590.410(b)).

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c) Other Guidelines--"Socioeconomic Characteristics of Medical Practice, 1989," prepared by the American Medical Association's Center for Health Policy Research.

d) All incorporations by reference of standards of nationally recognized organizations refer to the standards on the date specified and do not include any additions or deletions subsequent to the date specified.

Section 590.40 Administrative Hearings

Any administrative hearings conducted by the Department concerning the provisions of this Part shall be governed by the Department's Rules of Practice and Procedure in Administrative Hearings (See 77 Ill. Adm. Code 100).

SUBPART B: GRANTS TO FAMILY PRACTICE RESIDENCY PROGRAMS

Section 590.100 Eligibility for Grants

The following educational entities are eligible to apply for grants through this Part:

a) Any accredited family practice residency program located in Illinois; or

b) Any school of medicine or osteopathy in Illinois with a department of family medicine or family practice; or

c) Any accredited preventive medicine residency program located in Illinois.

Section 590.110 Limitations on Use of Grant Funds

Grant funds awarded by the Department may only be used to support project expenses and operations.

a) Grant funds may be used by the applicant to support project expenses, whether incurred at the residency's or school's central site or at an affiliated satellite.

b) Grant funds may be used to support project operations, including those in the following budget categories:

1) Personal services expenses of staff directly involved in the project;

2) Medical equipment and supplies necessary for the operation of the project;

3) Staff and resident travel directly related to the project;

4) Nonmedical equipment and supplies necessary for the operation of the project;

5) Contractual services and rent necessary for the operation of the project; and

6) Other expenses critical to the operation of the project.

c) Grant funds shall not be used to supplant other state or federal grants.

d) Grant funds shall not be used to purchase real property or for new construction.

Section 590.120 Project Requirements

a) Projects to be funded through this Part shall respond to requests for proposals distributed by the Department delineating project requirements.

b) Requests for proposals prepared by the Department shall address one or more of the following goals:

1) INCREASE THE NUMBER OF FAMILY PRACTICE PHYSICIANS IN DESIGNATED SHORTAGE AREAS;

2) INCREASE THE NUMBER OF ACCREDITED FAMILY PRACTICE RESIDENCIES IN ILLINOIS;

3) INCREASE THE PERCENTAGE OF FAMILY PRACTICE PHYSICIANS ESTABLISHING PRACTICE WITHIN THE STATE UPON COMPLETION OF RESIDENCY.

4) PROVIDE FUNDS FOR RENTAL OF OFFICE SPACE, PURCHASE OF EQUIPMENT AND OTHER USES NECESSARY TO ENABLE FAMILY PRACTITIONERS TO LOCATE THEIR PRACTICES IN COMMUNITIES LOCATED IN DESIGNATED SHORTAGE AREAS.

(Section 4.01 of the Act)

c) Projects shall have a director who is a board certified family practice physician who oversees the educational and professional components of the program and who is eligible to be a faculty member of a school of medicine or osteopathy.

d) Project directors shall annually submit fiscal and program

objective progress reports.

Section 590.130 Application for Grants

a) Applications shall be submitted which describe the applicant's proposed methods to achieve the goal(s) specified in the Department's request for proposals.

b) Applications shall be prepared and distributed by the Department to eligible applicants.

c) Applications shall be in two formats--one for new projects and one for the subsequent years of a continuing project.

1) New Department project applications shall include:

A) Summary statement of the applicant's plan of action to address the goal(s) described in the Department's request for proposals;

B) A description of the geographic area or special population group to be served by the applicant's project, a statement of the special needs of the area or group (e.g., lack of health care providers, high incidence of disease, economic barriers to care) and an explanation of the manner in which the proposed project would meet those needs;

C) A statement of measurable and relevant objectives the applicant proposes to achieve in the first year of the project as well as its longer term goals;

D) A work plan and time table for achievement of the objectives;

E) An evaluation plan which will allow documentation of the project's progress in meeting the particular needs of the area or group described in item (B) above;

F) A description of the medical student or family practice resident involvement in the project including numbers participating, amount of academic time involved, and whether involvement will be a required or an optional experience for the student or resident;

G) A description of the educational benefits the project would offer students or residents which, without the project, would not be available to them;

H) A description of the project's relationship to other activities and goals of the school or the residency program;

I) A detailed budget with narrative explanation of the request;

J) For residency program applicants, a summary report for the most recent five year period of the percent of its graduates who have practiced in Illinois and, if available, a count of those who have established practices in underserved areas of Illinois.

2) Continuing Department project applications shall include:

A) Progress report on the prior project year's activities, including accomplishments in meeting objectives, impact on needs of area or population group served, amount of student and/or resident involvement, and educational benefits achieved.

B) Summary statement of any changes in plan of action;

C) Description of changes in area or population group being served;

D) Statement of measurable objectives for the new project year;

E) Work plan and time table to meet the objectives;

F) An evaluation plan for the new objectives;

G) A detailed budget with narrative description;

H) For residency program applicants, a report on practice location of the most recent graduates.

Section 590.140 Selection Criteria

a) Priority in the selection of applicants for funding shall be given to those projects that can demonstrate the greatest impact on availability of health care for designated shortage areas or for population groups with special needs. Such an impact shall be demonstrated in the following manner:

1) Applicants which are located in a designated shortage area or can demonstrate that a significant percentage of patients

served at their existing clinic sites reside in designated shortage areas;

2) Applicants which have presented a plan to significantly increase the number of individuals residing in designated shortage areas who will become patients at the proposed projects;

3) Applicants which can demonstrate a significant number of patients to be seen at the proposed project will be members of a population group with special needs (See Section 590.130(c)(1)(B).

b) Applicants which can demonstrate the greatest level of residents' involvement in the proposed project shall receive priority consideration.

c) Applicants which can demonstrate the proposed project meets an educational need not available or insufficient in scope at the main residency location will receive priority consideration.

d) Applicants which can demonstrate the lowest ratio of Family Practice Residency Act funds to total project cost will receive priority consideration.

e) Applicants which can demonstrate a commitment to training family physicians to meet the health care needs of designated shortage areas or population groups with special needs will receive priority consideration. A commitment can be demonstrated in a number of ways, including:

1) Specific projects or activities targeted at population groups with special needs and/or populations residing in designated shortage areas, which were supported by sources other than Family Practice Residency Act funds;

2) Evidence of residency support, either financial or peer, for its graduates who have established practices in designated shortage areas; and

3) Higher percentages of residency graduates who have established practices in Illinois and in designated shortage areas.

f) Additional consideration shall be given for those projects meeting any of the following guidelines:

1) those WHICH ARE TO BE ESTABLISHED AT LOCATIONS WHICH EXHIBIT

POTENTIAL FOR EXTENDING FAMILY PRACTICE PHYSICIAN AVAILABILITY TO DESIGNATED SHORTAGE AREAS;

2) those WHICH ARE LOCATED AWAY FROM COMMUNITIES IN WHICH MEDICAL SCHOOLS ARE LOCATED; and

3) those LOCATED IN HOSPITALS HAVING AFFILIATION AGREEMENTS WITH MEDICAL SCHOOLS LOCATED WITHIN THE STATE.

(Section 4.02 of the Act)

g) Selection criteria shall be applied with advice and review by the Advisory Committee.

SUBPART C: MEDICAL STUDENT SCHOLARSHIPS

Section 590.200 Limitations on Use of Scholarship Funds

a) Scholarships shall cover the cost of tuition and matriculation fees, and provide a monthly living stipend for selected medical students.

b) Scholarship funds shall be expended by the recipient only while enrolled and in good academic standing at a medical school.

c) Scholarship funds shall not be awarded for expenses incurred when the student must repeat more than once an academic term or terms, if the repetition is necessary because the student has an academic performance below an acceptable level as determined by the student's medical school.

d) Scholarship funds shall be provided to the recipient's medical school. All funds for tuition and fees are to be expended only on the medical student's behalf and all stipend monies are to be provided directly to the medical student.

Section 590.210 Eligibility for Application

a) Students eligible to apply for Medical Student Scholarships shall meet the following qualifications:

1) HE OR SHE IS AN ILLINOIS RESIDENT AT THE TIME OF APPLICATION;

2) HE OR SHE IS STUDYING MEDICINE, or is accepted for enrollment, IN A MEDICAL SCHOOL LOCATED IN ILLINOIS;

3) HE OR SHE EXHIBITS FINANCIAL NEED AS DETERMINED BY THE DEPARTMENT, using financial analysis information provided by

the applicant and accepted by his or her medical school. The Department shall find a financial need when the information provided reveals a deficit in available funds for tuition and fees.

4) HE OR SHE AGREES TO PRACTICE FULL-TIME IN A DESIGNATED SHORTAGE AREA AS A PRIMARY CARE PHYSICIAN ONE YEAR FOR EACH YEAR HE OR SHE IS A SCHOLARSHIP RECIPIENT.

(Section 3.07 of the Act)

b) Students receiving funds from other scholarship or loan funds requiring service commitments that would prevent the applicant from meeting the requirements of the Medical Student Scholarship shall not be eligible for scholarships described in this Subpart.

Section 590.220 Criteria for Selecting Scholarship Recipients

a) Preference shall be given to those scholarship applicants who, in written narratives and personal interviews, can demonstrate the following:

1) Interest in pursuing one, or a combination of the medical specialties of family practice, internal medicine, pediatrics, or obstetrics/gynecology;

2) Previous experience with medically underserved populations;

3) Previous experience in the health care delivery system, with preference given to those whose experience has involved one of the primary care specialty areas;

4) Academic capabilities as reported by the applicant's medical school;

5) Financial need as reported by standard financial analysis documentation supplied by the applicant's medical school on the student's behalf;

6) Greater number of years of medical school remaining;

7) Stated interest in providing primary health care to Illinois citizens residing in designated shortage areas of Illinois;

8) Most number of years of residence in Illinois;

9) United States citizens, or those granted permanent residence in the United States by the Immigration and Naturalization

Service.

b) If applicants demonstrate equally all of the above characteristics, preference will be given to those interested in pursuing the specialty of family practice.

c) Of all applicants, priority is given to those individuals who have previously received a Medical Student Scholarship, providing that:

1) Recipient requests, in a format determined by the Department, a continuation of scholarship funds (See Appendix A);

2) Recipient would not be repeating the same year of school for the second consecutive year because of poor academic performance;

3) Recipient has not voluntarily withdrawn from medical school.

d) Selection criteria will be applied with advice and review by the Advisory Committee.

Section 590.230 Terms of Performance

a) Each scholarship recipient shall sign a written contract (See Appendix A). The contract contains additional terms and conditions which ensure compliance with this Part, the laws of the State of Illinois, and enforcement of the contract.

b) Scholarship recipients who fail to complete medical school due to academic failure, as documented by recipient's school, shall be discharged from all obligations.

c) Scholarship recipients who fail to complete medical school due to voluntary actions on their part shall repay to the Department all scholarship monies. Repayment shall be made in such a manner as agreed to by the recipient and the Department in the recipient's contract (See Appendix A).

d) In the event the scholarship recipient is disabled or is otherwise unable for reasons beyond the recipient's control to perform the scholarship's obligations, these obligations shall be suspended until such time as the scholarship recipient is able to resume the scholarship obligations. Such suspension shall be requested in writing by the scholarship recipient. The Department's acceptance or denial of the suspension request will be provided in writing, under the Director's signature. The Department shall accept a request for a suspension when supported by a letter from the

recipient's physician attesting to the recipient's inability (either temporarily or permanently) to continue (either school or the practice of medicine) and the recipient's agreeing to not continue either his or her medical education (or the practice of medicine) in any state.

e) Scholarship recipients who in their third year of medical school seek a residency training program in other than a primary care specialty shall have their eligibility for scholarship funds for their final year of medical school suspended until such time as the residency matching process is complete.

1) If the recipient is notified by the National Resident Matching Program, or directly by a residency not participating in the National Resident Matching Program, of acceptance into a non-primary care residency, no funds shall be provided for the final year of medical education, and all funds provided by the Department to the student shall be due in full, immediately.

2) If the recipient has requested a non-primary care residency but is matched to a primary care residency instead and agrees to the match, scholarship funds for the final year of medical education shall again be made available.

f) Misrepresentation of the facts presented in the recipient's application shall be considered a breach of contract. The recipient's school shall be notified to halt further disbursements of scholarship funds and all funds provided by the Department to the student shall be due in full, immediately.

Section 590.240 Scholarship Repayment

a) Upon the Illinois licensure of the scholarship recipient to practice medicine, the recipient shall provide primary health care in a designated shortage area of Illinois. The term of this service shall be ONE YEAR FOR EACH academic YEAR HE OR SHE IS A SCHOLARSHIP RECIPIENT. (Section 3.07 of the Act)

b) Service as a primary care physician shall begin no later than 30 days after the licensure of the recipient to practice medicine.

1) Service shall be deferred by the Department until recipient completes a primary care residency; service shall begin no later than 30 days after completion.

2) If recipient leaves the residency program prior to completion, service shall begin within 30 days.

c) Upon written approval of the Department, service shall be deferred until 30 days following completion of a fellowship in a primary care specialty.

d) The recipient's internship, residency or other advanced clinical training does not qualify as service repayment of the scholarship obligation.

e) Written approval of the Department for a proposed practice location shall be requested and received by the scholarship recipient.

1) Without such approval, time in practice at such a location shall not meet scholarship recipient's service obligation.

2) The scholarship recipient may request and receive approval for a practice location up to 18 months preceding the time practice at the location is to begin.

3) Approval for a practice location is granted for the duration of the scholarship recipient's service obligation.

f) The scholarship recipient's practice shall meet the following requirements:

1) Be located in a designated shortage area(s) (See Subpart E);

2) Be a full-time, office-based practice providing direct patient care (See Subpart A, Section 590.20 for definition of full-time, by primary care specialty);

3) Be in one, or in a combination of the primary care specialties; and

4) Be providing continuous service at the rate of 12 months for each academic year of medical school supported by the scholarship.

g) Scholarship recipients may relocate to another practice location, or practice in more than one location if prior written approval is granted by the Department.

h) Scholarship recipients shall enter into a written contract (See Appendix B) with the Department which describes terms of the service obligation and contains provisions for enforcement of the contract.

i) SCHOLARSHIP RECIPIENTS WHO FAIL TO provide service as required

SHALL PAY TO THE DEPARTMENT A SUM of money EQUAL TO 3 TIMES THE AMOUNT OF THE average ANNUAL SCHOLARSHIP award of the recipients FOR EACH YEAR, or portion thereof, THE RECIPIENT FAILS TO FULFILL the service OBLIGATION (Section 10 of the Act).

1) Payment shall be made in equal monthly installments in such amounts so all sums due shall be paid within a period of time equal to the recipient's service term, or remaining portion thereof, or as otherwise approved by the Department.

2) Recipient and Department shall enter into a written contract (See Appendix C) which describes terms of the repayment and contains provisions for enforcement of the contract.

j) In the event a scholarship recipient fails to pay monies owed the Department, the Department may refer the matter to the Attorney General or to a collection agency.

SUBPART D: EDUCATIONAL LOAN REPAYMENT FOR PHYSICIANS

Section 590.300 Limitations on Use of Loan Repayment Funds

a) Funds shall be used FOR THE REPAYMENT OF THE EDUCATIONAL LOANS OF PRIMARY CARE PHYSICIANS WHO AGREE TO SERVE IN DESIGNATED SHORTAGE AREAS FOR A SPECIFIED PERIOD OF TIME, NO LESS THAN 2 YEARS.

b) PAYMENTS MAY BE USED FOR THE PRINCIPLE, INTEREST AND RELATED EXPENSES OF GOVERNMENT AND COMMERCIAL LOANS RECEIVED BY THE INDIVIDUAL AND USED FOR TUITION EXPENSES, AND ALL OTHER REASONABLE EDUCATIONAL EXPENSES INCURRED BY THE INDIVIDUAL.

c) THE MAXIMUM ANNUAL PAYMENT WHICH MAY BE MADE TO AN INDIVIDUAL UNDER THIS LAW IS $20,000 OR 25 PERCENT OF THE TOTAL COVERED EDUCATIONAL INDEBTEDNESS, WHICHEVER IS LESS.

d) PAYMENTS MADE SHALL BE EXEMPT FROM ILLINOIS STATE INCOME TAX. (Payments are not exempt from federal income tax.)

e) Funds may not be used to monetarily repay a practice obligation resulting from educational loans or scholarships, whether from Illinois based institutions or governments, or those in other states (Section 4.10 of the Act).

Section 590.310 Eligibility for Application

a) Any Illinois licensed physician who intends to, or is practicing in a primary care specialty in a designated shortage area of Illinois may apply for educational loan repayment.

b) Applicants shall document currently existing educational loan indebtedness to a governmental or commercial lending institution incurred for educational expenses in pursuit of the applicant's medical degree. Such documentation of indebtedness shall include a photocopy or original copy of promissory notes or other evidence of indebtedness with disclosure of lending institution or agency, loan amount, loan period, interest rate, and any amounts repaid prior to date of application.

c) Applicants shall be practicing, or be willing to practice, full-time in a designated shortage area(s) in Illinois.

d) Applicants not yet in practice, or not yet in practice in a designated shortage area(s) of Illinois, shall document intent to do so by written confirmation from a community-based organization or agency, or from other physicians located within the designated shortage area.

e) Physicians having practice obligations to the National Health Service Corps or the Illinois Medical Student Scholarship Program may apply for educational loan repayment after completion of the practice obligation.

Section 590.320 Selection Criteria for Distribution of Loan Repayment Funds

a) When numbers of applications are sufficient to support a geographical separation into urban and rural groupings, an equal number of applicants will be selected from each of the groups.

b) When numbers of applications are sufficient, an equal number of applicants shall be selected from Chicago and from the remaining urban areas in the State.

c) Preference shall be given to applications from physicians who have been recruited by, or are actively involved with a community-based organization or group having as one of its goals the improvement or maintenance of the availability and accessibility of primary health care in its area.

d) When all other selection criteria are essentially equal among a group of applicants, preference will be given to the applicant with the greater educational indebtedness.

e) Applications from physicians received by the Department shall be reviewed on a quarterly basis and the following priority classifications of the location and other characteristics of the practice will be applied:

1) Rural Selection Priority Classifications, From Highest to Lowest

A) Population-to-primary care physician ratio of at least 2400:1, new physician establishing practice in area, and endorsed by community-based group or organization.

B) Population-to-primary care physician ratio of at least 2400:1, new physician establishing practice in area, with no endorsement by community-based group or organization.

C) Population-to-primary care physician ratio between 1800 and 2399:1 and where at least one-third of the primary care physicians are aged 60 or more, new physician establishing practice in area, and endorsed by community-based group or organization.

D) Population-to-primary care physician ratio between 1800 and 2399:1 and where at least one-third of the primary care physicians are aged 60 or more, new physician establishing practice in area, with no endorsement by community-based group or organization.

E) Facilities designated under Section 590.410 of this Part, and new physician recruited to the facility.

F) Population-to-primary care physician ratio of at least 2400:1, physician with practice in the area for 24 months or less.

G) Population-to-primary care physician ratio between 1800 and 2399:1 and where at least one-third of the primary care physicians are aged 60 or more, physician with practice in the area for 24 months or less.

2) Urban Selection Priority Classifications, From Highest to Lowest

A) Population-to-primary care physician ratio of at least 3000:1, new physician establishing practice in area, and endorsed by community-based group or organization.

B) Population-to-primary care physician ratio of at least 3000:1, new physician establishing practice in area, and no formal endorsement from community-based group or organization.

C) Facilities designated under Section 590.410 of this Part, and new physician recruited to the facility.

D) Population-to-primary care physician ratio of at least 3000:1, physician with practice in the area for 24 months or less.

f) Applications shall be accepted between July 1 and September 30 and considered for funding according to the criteria described in subsection (e). If all funds are not expended, subsequent application cycles will extend from October 1 to December 31, January 1 to March 31, and April 1 to June 30.

Section 590.330 Terms of Performance

a) Each physician selected for educational loan repayment shall sign a written contract (See Appendix D) with the Department. The contract may contain additional terms and conditions which ensure compliance with the laws of the State of Illinois, and enforcement of the contract.

b) Physicians selected for loan repayment shall practice as a primary care physician in a designated shortage area on a full-time basis (See Subpart A, Section 590.20 for definition of full-time, by primary care specialty).

c) Loan repayment recipients who move their practice from the location described in the recipient's original application shall relocate to an area which qualifies for the same or a higher priority ranking. Relocating to a lower priority area would result in termination of the loan repayment contract. The recipient would be eligible to reapply for the loan repayment program and be considered among all other applicants.

d) Loan repayment recipients who elect to have payments made on their behalf directly to the financial institution to which they are obligated may have payments made up to six months in advance if financial institution so agrees. In the event the physician moves from the designated shortage area during the period for which loan repayment has been made, he or she shall repay to the Department any prorated amounts.

e) Loan repayment recipients who elect to have payments made directly to themselves shall make loan payments, then present documentation of payment (i.e., cancelled checks) to the Department. Direct payments to recipients will be made on a quarterly basis.

f) Misrepresentation of the facts presented in the application will

be considered a breach of contract. Any funds provided by the Department for the repayment of educational loans shall be due immediately in full.

g) In the event the physician does not repay any funds owed to the Department, the Department may refer the matter to the Attorney General or to a collection agency.

SUBPART E: DESIGNATION OF SHORTAGE AREAS

Section 590.400 Data Elements Used in Designation Process

a) Population counts and demographic information describing a rational service area are those available in the most recently published decennial population census prepared by the U.S. Department of Commerce, Bureau of the Census.

b) Information regarding physicians practicing in an area is collected by Department staff. Such information includes specialty, practice location(s), amount of time in practice per week, and approximate or exact age of physician.

c) Full-time-equivalencies for primary care physicians are calculated comparing a physician's office hours per week to that reported nationally by the American Medical Association (See Subpart A, Section 590.20).

d) Number of obstetricians providing patient care in a particular year in Illinois will be obtained from the American Medical Association's Center for Health Policy Research.

e) Number of births in a particular year in Illinois will be obtained from the Department.

Section 590.410 Criteria for Designating Shortage Areas

a) Shortage areas may include the following:

1) AN URBAN OR RURAL AREA WHICH IS A RATIONAL AREA FOR THE DELIVERY OF HEALTH SERVICES;

2) A POPULATION GROUP;

3) A PUBLIC OR NONPROFIT PRIVATE MEDICAL FACILITY.

(Section 3.04 of the Act)

b) Areas and population groups designated by the U.S. Department of

Health and Human Services (See 42 CFR 5) as having shortages of primary care physicians shall qualify for purposes described in this Part.

c) Additional areas shall be designated using the following criteria:

1) Urban service areas with a population-to-primary care physician ratio of at least 3000:1;

2) Rural service areas with a population-to-primary care physician ratio of at least 2400:1;

3) Rural service areas with a population-to-primary care physician ratio between 1800:1 and 2399:1, and where one-third of the primary care physicians are 60 years of age or older;

4) Urban or rural areas where board certified pediatricians or obstetrician/gynecologists are not practicing within the service area, and where there is sufficient need to support a full-time practice. Sufficient need, for the purposes of this subsection may be documented in the following manner:

A) At least 80% of the non-pediatrician (or obstetrician) physicians agreeing that there is a sufficient need.

B) At least 80% of the pediatricians (or obstetrician) physicians agreeing that there is a sufficient need.

C) Agreement by the hospitals and local health department administrators.

5) Rural service areas where the obstetricians having admitting privileges at a hospital with an obstetrical unit perform more deliveries per year than the statewide average obtained by dividing the number of obstetricians providing patient care in Illinois into the number of births in Illinois in a year; and where the existing obstetricians and family physicians providing obstetrical care express, in writing, their need for additional obstetricians.

d) Facilities whose mission is to provide care to underserved populations will be designated for purposes of this Part. Such facilities include:

1) Local health departments which establish primary care clinics, offering direct patient care on either a full or part-time basis;

2) Any community health center or its satellite in Illinois which is funded through Section 330 of the Public Health Service Act;

3) Health clinics which can document that at least 75 percent of their patients are a combination of the following:

A) Medicaid eligible, or

B) Qualify for reduced fees based on a sliding fee scale using as an upper limit 200 percent of the federal poverty level, as published annually in the Federal Register.

Section 590.420 Distribution of Lists of Designated Shortage Areas

a) At least annually, updated listings of designated shortage areas shall be provided to all recipients of Medical Student Scholarships made under this Part.

b) Listings of designated shortage areas shall be made available to interested individuals and organizations who request listings from the Department.

c) Notification of designation as a shortage area shall be provided to local health departments, hospitals, primary care physicians and community-based organizations.

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Section 590.Appendix A Sample Contract for Medical Student Scholarship (Student Contract)

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

FAMILY PRACTICE RESIDENCY ACT
SCHOLARSHIP FOR MEDICAL STUDENTS

S T U D E N T C O N T R A C T

The Illinois Department of Public Health (Department) and

(Name of Student)

hereby agree as follows:

1) The Department shall pay the sum of $ to

(Name of Medical School)

on behalf of Student pursuant to the Family Practice Residency Act, (Ill. Rev. Stat. 1989, ch. 144, par. 1451, et seq.) as amended, which is made a part hereof and fully incorporated herein.

2) All funds paid to Student through the above named organization by Department pursuant to this Contract constitute a scholarship which shall be repaid to Department by Student unless Student is excused from repayment by Department pursuant to the terms of this Contract.

3) If Student fails to complete medical studies because of academic failure, Student shall be discharged from any and all obligations under this Contract.

4) If Student fails to complete medical studies for any reason other than academic failure, death or permanent disability, Student shall repay to Department all funds paid pursuant to this Contract. Repayment shall be made in equal monthly installments in such amounts so that all sums due and owing will be paid within a period of time equal to the period of time funds were paid, or as otherwise approved by Department. Payments shall begin within 30 days after Student leaves medical school.

5) If Student dies or suffers total and permanent disability either while pursuing studies under this Act or, after Student's medical degree, while engaging in medical practice in Illinois up to the onset of fatal illness or such disability, the scholarship or any balance due on it

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shall be excused and deemed satisfied.

6) [illegible]'s service term shall begin within 30 days of Student's licensure [illegible] practice medicine, except that service may be deferred until completion of an approved residency program in primary care. In all cases where service is deferred, service shall begin within 30 days after Student leaves residency program.

7) Student may request an emergency deferment because of temporary personal disability or to fulfill family obligations which delay the start of Student's medical practice. Emergency deferments will be granted on a quarterly basis, at the discretion of Department. Student shall begin medical practice within 30 days of the ending date of the emergency deferment.

8) Upon Student's licensure to practice medicine or completion of an approved residency program in primary care, Student shall agree to enter into a contract with Department to serve as a full-time primary care physician engaged in direct patient care in only the designated shortage areas in Illinois approved as a practice site(s) for that individual. Full-time practice is defined in the Family Practice Residency Code, (77 Ill. Adm. Code Chapter I, Part 590). Upon request Student shall confirm, in writing, the location and office hours of the medical practice. The terms of this service shall be at the rate of one year of full-time service for each school year, or portion thereof that funds were paid.

9) If Student fails to perform any of the foregoing terms and conditions of this Contract, Student shall, in accordance with the Family Practice Residency Act, pay to Department a sum of money equal to three times the amount of the average annual scholarship grant for each year recipient fails to fulfill such obligation. Payment shall be made in equal monthly installments in such amounts so that all sums due and owing will be paid within a period of time equal to Student's remaining service term or as otherwise approved by Department. Payments shall begin within 30 days after Student fails to perform any of the terms and conditions of this Contract. In the event that Student fails to pay any required installment to Department, Department may file suit to collect all sums and future sums due and owing under this Contract or may refer the matter to a collection agency.

10) Student shall inform Department, in writing, within seven days of any of the following changes:

a) status as a student
b) address
c) illness, disability, or family considerations affecting obligations of this Contract

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NOTICE OF ADOPTED RULES

11) Notwithstanding any other provisions of this agreement, Student shall repay in full all funds received by Student pursuant to this agreement in the event of breach of any provisions of this agreement by Student within 60 days of written demand of Department.

12) Student shall pay all costs of suit, including attorney fees, and all collection costs in the event Department shall prevail in suit for money damages against Student pursuant to this Contract.

13) This Contract shall be governed in all respects by the laws of the State of Illinois.

14) This Contract may not be amended without prior written approval of both Department and Student.

15) This Contract may not be sold, assigned or transferred in any manner.

16) Department and Student understand and agree that this Contract constitutes the total agreement between them and that no promises, terms or conditions not recited herein or incorporated herein, or referenced herein shall be binding upon either Department or Student.

17) Obligations of Department will cease immediately without penalty of further payment being required if the Illinois General Assembly fails to appropriate or otherwise make available sufficient funds for this Contract.

18) Student hereby certifies that Student has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor has Student made an admission of guilt of such conduct which is a matter of record.

19) Student agrees to comply with the provisions of the Illinois Purchasing Act (Ill. Rev. Stat. 1989, ch. 127, pars. 132.11-1 through 132.11-5) prohibiting conflict of interest.

20) The Student certifies that Student is not in default on an educational loan as provided in Public Act 85-827.

21) In the event the Family Practice Residency Act is amended while this Contract is in effect, this Contract shall be amended automatically to incorporate such amendments to such Law, provided that obligations of Student shall not be increased.

22) In the event any portion of this Contract is held invalid by any court of law, the remaining terms and conditions shall remain in full force and effect.

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23) Obligations of Student shall remain in full force and effect until Student has either fulfilled the service obligation pursuant to the Family Practice Residency Act or repaid all funds to Department pursuant to the terms of this Contract.

24) The term of this Contract is for the period July 1, 19__ through June 30, 19__. It is further understood between the parties hereto that this Contract is subject to appropriations to Department, in subsequent years, for the purpose herein described.

25) Under penalties of perjury, I certify that the social security number shown below is my correct Federal Taxpayer Identification Number.

Executed _____ day of _____, 19__.

_____ _____
Student Director of Public Health

_____
Social Security Number

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Section 590.Appendix B Sample Contract for Scholarship Service Obligation

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

FAMILY PRACTICE RESIDENCY ACT
SCHOLARSHIP FOR MEDICAL STUDENTS

S E R V I C E C O N T R A C T

For Awards Made Before July 1986

The Illinois Department of Public Health (Department) and _____ (Contractor) hereby agree as follows:

1) Paragraph ___ of Contract #_____ signed by Department and Contractor on _____ requires Contractor to enter into a contract with Department to serve as a full-time primary care physician engaged in direct patient care in designated shortage areas in Illinois approved as practice site(s) for that individual. A copy of Contract # _____ is attached and incorporated herein.

2) The Contractor received $_____ in academic year 19____-19____; $_____ in academic year 19____-19____; $_____ in academic year 19____-19____; $_____ in academic year 19____-19___, totaling $_____. Copies of the State of Illinois documents verifying award amounts are attached and incorporated herein.

3) Contractor agrees to serve as a primary care physician at a rate of one year of full-time service for each school year or portion thereof that funds were provided except that no more than three years of service shall be provided. Contractor was provided funds for the academic years detailed in item 2 above. Uninterrupted service shall begin _____ and end _____. Uninterrupted service is defined as continual full-time patient care except for time allowed for continuing education, vacation, personal time, or sick time at the rate permitted by written policies of contractor's employer or as approved by the Department, at the sole discretion of the Department. The approved practice location shall be _____.

4) Full-time practice for an _____ is defined as _____ ( ) hours a week of direct patient care at the approved practice site(s) when services are not provided to office patients in the hospital setting.

5) If Contractor becomes disabled the terms and conditions of this Contract shall be suspended until such time as Contractor is able to resume repayment.

DEPARTMENT OF PUBLIC HEALTH

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6) In the event the Contractor fails to perform any of the foregoing terms and conditions of this Contract, Contractor shall, in accordance with the Family Practice Residency Act, pay to the Department a sum of money equal to three times the amount of average scholarship grants for each year Contractor fails to fulfill such obligations. Payments shall be made in equal monthly installments in such amounts so that all sums due and owing will be paid within a period of time equal to the Contractor's remaining service term or as otherwise approved by the Department. Payments shall begin 30 days after Contractor fails to perform any of the terms and conditions of this Contract. In the event the Contractor fails to pay required installments to the Department, Department may file suit to collect all sums and future sums due and owing under this Contract or may refer the matter to a collection agency.

7) Contractor shall pay all costs of suit including attorney's fees and all collection costs in the event the Department shall prevail in suit for money damages against Contractor pursuant to this Contract.

8) Contractor shall inform Department in writing within seven days of any of the following changes:

   a) status of employment,
   b) address,
   c) illness, disability, or family considerations affecting obligations of this Contract.

9) This Contract shall be governed in all respects by the laws of the State of Illinois.

10) This Contract may not be amended without prior written approval of both Department and Contractor.

11) This Contract may not be sold, signed or transferred in any manner.

12) The Department and Contractor understand and agree that this Contract constitutes the total agreement between them and that no promises, terms or conditions not recited, incorporated or referenced herein shall be binding upon either Department or Contractor.

13) In the event the Family Practice Residency Act is amended while this Contract is in effect, this Contract shall be amended automatically to incorporate such amendments into law. However, obligations of the Contractor shall not be increased.

14) In the event any portion of this Contract is held invalid by any court

of competent jurisdiction, remaining terms shall remain in full force and effect.

15) This Contract shall remain in full force and effect until Contractor has repaid all obligations to the Department pursuant to the terms of this Contract and all financial obligations shall be abated on a monthly basis in direct proportion to the services provided.

16) Under penalties of perjury, I certify that the social security number shown below is my correct Federal Taxpayer Identification Number.

Executed this _____ day of _____, 19__.

_____ Contractor

_____ Director of Public Health

_____ Social Security Number

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

FAMILY PRACTICE RESIDENCY ACT
SCHOLARSHIP FOR MEDICAL STUDENTS

S E R V I C E C O N T R A C T

For Awards Made After June 1986

The Illinois Department of Public Health (Department) and _____ (Contractor) hereby agree as follows:

1) Paragraph ___ of Contract #_____ signed by Department and Contractor on _____ requires Contractor to enter into a contract with Department to serve as a full-time primary care physician engaged in direct patient care in designated shortage areas in Illinois approved as practice site(s) for that individual. A copy of Contract # _____ is attached and incorporated herein.

2) The Contractor received $_____ in academic year 19____-19____; $_____ in academic year 19____-19____; $_____ in academic year 19____-19____; $_____ in academic year 19___-19___, totaling $_____. Copies of the State of Illinois documents verifying award amounts are attached and incorporated herein.

3) Contractor agrees to serve as a primary care physician at a rate of one year of full-time service for each school year or portion thereof that funds were provided except that no more than three years of service shall be provided. Contractor was provided funds for the academic years detailed in item 2 above. Uninterrupted service shall begin _____ and end _____. Uninterrupted service is defined as continual full-time patient care except for time allowed for continuing education, vacation, personal time, or sick time at the rate permitted by written policies of contractor's employer or as approved by the Department, at the sole discretion of the Department. The approved practice location shall be _____.

4) Full-time practice for an _____ is defined as _____ ( ) hours a week of direct patient care at the approved practice site(s) when services are not provided to office patients in the hospital setting.

5) If Contractor becomes disabled the terms and conditions of this Contract shall be suspended until such time as Contractor is able to resume repayment.

6) In the event the Contractor fails to perform any of the foregoing terms and conditions of this Contract, Contractor shall, in accordance with the Family Practice Residency Act, pay to the Department a sum of money equal to three times the amount of average scholarship grants for each year Contractor fails to fulfill such obligations. Payments shall be made in equal monthly installments in such amounts so that all sums due and owing will be paid within a period of time equal to the Contractor's remaining service term or as otherwise approved by the Department. Payments shall begin 30 days after Contractor fails to perform any of the terms and conditions of this Contract. In the event the Contractor fails to pay required installments to the Department, Department may file suit to collect all sums and future sums due and owing under this Contract.

7) Contractor shall pay all costs of suit including attorney's fees and all collection costs in the event the Department shall prevail in suit for money damages against Contractor pursuant to this Contract.

8) Contractor shall inform Department in writing within seven days of any of the following changes:

a) status of employment,
b) address,
c) illness, disability, or family considerations affecting obligations of this Contract.

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9) This Contract shall be governed in all respects by the laws of the State of Illinois.

10) This Contract may not be amended without prior written approval of both Department and Contractor.

11) This Contract may not be sold, signed or transferred in any manner.

12) The Department and Contractor understand and agree that this Contract constitutes the total agreement between them and that no promises, terms or conditions not recited, incorporated or referenced herein shall be binding upon either Department or Contractor.

13) In the event the Family Practice Residency Act is amended while this Contract is in effect, this Contract shall be amended automatically to incorporate such amendments into law. However, obligations of the Contractor shall not be increased.

14) In the event any portion of this Contract is held invalid by any court of competent jurisdiction, remaining terms shall remain in full force and effect.

15) This Contract shall remain in full force and effect until Contractor has repaid all obligations to the Department pursuant to the terms of this Contract and all financial obligations shall be abated on a monthly basis in direct proportion to the services provided.

16) Under penalties of perjury, I certify that the social security number shown below is my correct Federal Taxpayer Identification Number.

Executed this _____ day of _____, 19__.

_____ Contractor

_____ Director of Public Health

_____ Social Security Number

DEPARTMENT OF PUBLIC HEALTH

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Section 590.Appendix C Sample Contract for Monetary Repayment of Scholarship Obligation

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

FAMILY PRACTICE RESIDENCY ACT
SCHOLARSHIP FOR MEDICAL STUDENTS

R E P A Y M E N T C O N T R A C T

The Illinois Department of Public Health (Department) and _____ (Contractor) hereby agree as follows:

1) Item __ of the Contract signed by Department and Contractor on _____ allows a recipient of a medical student scholarship awarded through the Family Practice Residency Act to repay funds awarded, including a liquidated damages payment, rather than practice medicine in an underserved area of the State. A copy of the Contract is attached and shall become a part of this Contract.

2) The Contractor has elected to repay required funds in lieu of completing the practice commitment.

3) The Contractor received $_____ in academic year 19__-19__; $_____ in academic year 19__-19__; $_____ in academic year 19__-19__; $_____ in academic year 19__-19__; totaling $_____. Copies of State of Illinois documents verifying award amounts are attached and shall become a part of this Contract.

4) The Family Practice Residency Act requires a sum equal to three times the amount of the annual scholarship grant for each year the Contractor fails to fulfill the obligation in an underserved area.

5) The total amount due the Illinois Department of Public Health is $_____. _____ monthly installments of $_____ are to be paid to the Department pursuant to Item __ of the Contract. The first payment is due _____.

6) The repayment checks are to be made payable to "Illinois Department of Public Health" and mailed to Illinois Department of Public Health, Division of Financial Services, 535 West Jefferson Street, Springfield, Illinois 62761, Attention: Manager-Fiscal Control. The payments are to be postmarked on or before the first day of the month.

7) In the event the Contractor fails to pay the Department any required installment, the Department may file suit to collect all sums and future

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sums due and owing under this Contract or may refer the matter to a collection agency.

8) Contractor shall pay all costs of suit, including attorney fees, and all collection costs in the event the Department shall prevail in suit for money damages against Contractor pursuant to this Contract.

9) If Contractor becomes disabled the terms and conditions of this Contract shall be suspended until such time as Contractor is able to resume repayment.

10) Contractor shall inform the Department, in writing, within 14 days of any change of address or any disability affecting obligations of this Contract.

11) This Contract shall be governed in all respects by the laws of the State of Illinois.

12) This Contract may not be amended without prior written approval of both Department and Contractor.

13) This Contract may not be sold, assigned or transferred in any manner.

14) The Department and Contractor understand and agree that this Contract constitutes the total agreement between them and that no promises, terms or conditions not recited, incorporated, or referenced herein shall be binding upon either Department or Contractor.

15) In the event the Family Practice Residency Act is amended while this Contract is in effect, this Contract shall be amended automatically to incorporate such amendments to such Law. However, obligations of Contractor shall not be increased.

16) In the event any portion of this Contract is held invalid by any court of competent jurisdiction, the remaining terms and conditions shall remain in full force and effect.

17) This Contract shall remain in full force and effect until Contractor has repaid all funds to the Department pursuant to the terms of this Contract.

18) Under penalties of perjury, I certify that the social security number shown below is my correct Federal Taxpayer Identification Number.

Executed this _____ day of _____, 19__.

DEPARTMENT OF PUBLIC HEALTH

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_____ Contractor

_____ Director

_____ Social Security Number

DEPARTMENT OF PUBLIC HEALTH

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Section 590.Appendix D Sample Contract for Educational Loan Repayment

ILLINOIS DEPARTMENT OF PUBLIC HEALTH

FAMILY PRACTICE RESIDENCY ACT
EDUCATIONAL LOAN REPAYMENT

C O N T R A C T

The Illinois Department of Public Health (Department) and _____ (Contractor) agree as follows:

1) Contractor will provide patient care in the community or area indicated on the educational loan repayment application on a full-time basis, as defined in the Family Practice Residency Code, (77 Ill. Adm. Code Chapter I, Part 590) for a minimum period of two years.

2) Contractor will use funds to repay loans used only for educational purposes in pursuit of medical degree.

3) Contractor will provide the Department with photocopies of promissory notes or other evidence to document amount of indebtedness and the institutions owed.

4) Contractor will provide the Department with photocopies of cancelled checks to document payments Contractor has made for his/her educational loan indebtedness and for which reimbursement is sought from the Department.

5) Contractor may request from the Department written approval for the transfer of his or her educational loan repayment eligibility to another designated shortage area, if the new area is of the same, or a higher priority classification than the original practice location.

6) If Contractor moves to a practice location in a lower priority classification, or moves from an urban to a rural location, or vice versa, all educational loan repayments will cease immediately.

7) Department will make educational loan repayments directly to the Contractor, or to the financial or educational institution holding the indebtedness. Retrospective payments will be made to the Contractor on a quarterly basis. Prospective payments on the Contractor's behalf will be made on a quarterly basis directly to the financial or educational institution holding the indebtedness, if so agreed by the lender.

8) Department will pay twenty-five percent of the educational loan indebtedness, or up to $20,000 whichever is less, for each year

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Contractor practices in the selected underserved area or facility. Should Contractor fail to pay monies due, the Department may refer the matter to the Attorney General or to a collection agency.

9) If Contractor ceases full-time practice in an underserved area or facility or moves from the originally selected underserved area or facility to one with a lower priority ranking as described in 77 Illinois Administrative Code Chapter I, Part 590 before completing the required two years of practice, all sums paid to Contractor or paid on Contractor's behalf will be due to Department within 30 days of the practice change.

10) If Contractor moves from the approved practice area and the Department has made prospective payments to the financial or educational institution, Contractor must repay funds in direct proportion to the length of practice in the approved area.

11) Contractor shall pay all costs of suit, including attorney's fees and all collection costs in the event the Department shall prevail in suit for money damages against Contractor pursuant to this Contract.

12) Contractor shall inform Department in writing within seven days of any changes in the following areas:

a) status of employment or practice
b) address
c) illness, disability, or family considerations affecting obligations of this Contract

13) This Contract shall be governed in all respects by the laws of the State of Illinois.

14) This Contract may not be amended without prior written approval of both Department and Contractor.

15) This Contract may not be sold, signed or transferred in any manner.

16) The Department and Contractor understand and agree that this Contract constitutes the total agreement between them and that no promises, terms or conditions not recited, incorporated or referenced herein shall be binding upon either Department or Contractor.

17) Obligations of Department will cease immediately without penalty of further payment being required if the Illinois General Assembly fails to appropriate or otherwise make available sufficient funds for this Contract.

18) Contractor certifies he/she has not been convicted of bribery or

DEPARTMENT OF PUBLIC HEALTH

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attempting to bribe an officer or employee of the State of Illinois, nor has Contractor made an admission of guilt of such conduct which is a matter of record.

19) Contractor certifies he/she is not in default on any educational loans as provided in Public Act 85-827.

20) Contractor agrees to allow Department to request from the lending institution an annual confirmation of the status of Contractor's educational loans.

21) In the event the Family Practice Residency Act is amended while this Contract is in effect, this Contract shall be amended automatically to incorporate such amendments into law. However, obligations of the Contractor shall not be increased.

22) In the event any portion of this Contract is held invalid by any court of competent jurisdiction, remaining terms shall remain in full force and effect.

23) This Contract shall remain in full force and effect until Contractor has repaid all obligations to the Department pursuant to the terms of this Contract and all financial obligations shall be abated on a monthly basis in direct proportion to the services provided.

24) Under penalties of perjury, I certify that the social security number shown below is my correct Federal Taxpayer Identification Number.

The term of this Contract is _____ through _____.

Executed this _____ day of _____, 19___.

_____ Contractor

_____ Director of Public Health

_____ Social Security Number

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED AMENDMENTS

1) Heading of the Part:

Long-Term Care for Under Age 22 Facilities Code

2) Code Citation:

77 Ill. Adm. Code 390

3)

Section Numbers:	Adopted Action:
390.330	Amendment
390.1030	Amendment
390.3220	Amendment
390.3240	Amendment
390.3260	Amendment

4) Statutory Authority:

Nursing Home Care Act
Ill. Rev. Stat. 1989, ch. 111 1/2, par. 4151-101 et seq.

5) Effective Date of Rules:

January 25, 1991

6) Does this Rulemaking Contain an Automatic Repeal Date? Yes ___ No X

If "yes," please specify date:

7) Does this Rulemaking Contain Any Incorporations by Reference? Yes___ No X

If "yes," please specify type: 6.02(a)___ or 6.02(b)___

If "6.02(b)," was a copy of the approval form issued by the Joint Committee attached to this rulemaking? Yes ___ No X

8) Date Filed in Agency's Principal Office:

January 1, 1991

9) Date Notice(s) of Proposal was Published in Illinois Register:

June 22, 1990 - 14 Ill. Reg. 9883

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED AMENDMENTS

10) Has the Joint Committee on Administrative Rules issued a Statement of Objections to this/these Rules? Yes ___ No X

If "yes," please complete the following:

A) Statement of Objection: _____, ___ Ill. Reg. _____

B) Agency Response: _____, ___ Ill. Reg. _____

C) Date Agency Response Submitted for Approval to the Joint Committee:

11) Difference Between Proposal and Final Version:

The following changes were made in response to comments received during the first notice or public comment period:

1. In Section 390.3220(f), a new subsection (g) is created beginning with the sentence "EVERY WOMAN RESIDENT...," leaving the first two sentences as subsection (f). A statutory reference to Section 2-104(b) of the Act is inserted at the end of subsection (f). Subsequent subsections are relettered accordingly.

2. A new Section 390.3220(g)(1)(A) is added as follows: "A) Early diagnosis of pregnancy;".

3. In Section 390.3220(g), the following is added: "In addition, women residents should be referred immediately for diagnosis whenever pregnancy is suspected."

4. Section 390.3220(g)(1) is redrafted as follows: " 'Routine obstetrical evaluations' and 'necessary prenatal care' shall include, as a minimum, the following"; subsection (g)(2) is deleted; and subsections (g)(2)(A)-(F) are relettered as (G)-(L).

5. A new Section 390.3220 (g)(3) is added as follows:

   3) When a resident is referred for a diagnosis of pregnancy and/or prenatal care, the facility shall send to the provider a copy of the resident's medical record, including a list of prescription medications taken by the resident; use of alcohol, tobacco and illicit drugs; or exposure to radiation or chemicals during the preceding three months.

6. The statutory references are updated to cite the 1989 Illinois Revised Statutes.

DEPARTMENT OF PUBLIC HEALTH

NOTICE OF ADOPTED AMENDMENTS

7. In the definition of "Administrative Warning" in Section 390.330, the terms "level A" and "level B" are changed to "type A" and "type B".

8. In Section 390.3220(g)(1)(E), "Viral hepatitis (HBsAg) testing" is added.

9. The Authority Note and Source Note are updated to reflect the adoption of a previous rulemaking, effective October 1, 1990.

The following changes were made in response to comments and suggestions of the Joint Committee on Administrative Rules:

No changes were requested by the Joint Committee.

In addition, various typographical, grammatical and form changes were made in response to the comments from the Administrative Code Division and the Joint Committee on Administrative Rules.

12) Have all the changes agreed upon by the Agency and the Joint Committee been made as indicated in the agreement letter issued by the Joint Committee?

No changes were requested by the Joint Committee.

13) Will the Rules Replace an Emergency Rule Currently in Effect?

Yes ___ No X

14) Are there any other Amendments Pending on this Part? Yes ___ No X

If Yes:

Section Numbers	Proposed Action	Ill. Reg. Citation

15) Summary and Purpose of Rules:

These amendments are being adopted by the Department of Public Health to implement legislation passed by the 86th General Assembly amending the Nursing Home Care Act. Related amendments to the rules governing the licensure of skilled nursing and intermediate care facilities (77 Ill. Adm. Code 300), sheltered care facilities (77 Ill. Amd. Code 330), and intermediate care facilities for persons with developmental disabilities (77 Ill. Adm. Code 350) are also being adopted.

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Definition of facility: The Department is amending the definition of "Facility" in Section 390.330 to implement Public Act 86-130, which amends the Nursing Home Care Act to exempt from the definition of "Facility" any nursing home or sanatorium operated solely by and for persons who rely exclusively upon treatment by spiritual means through prayer, in accordance with the creed or tenets of any well-recognized church or religious denomination.

Chrisitian Science facilities: In Section 390.1030, the Department is deleting a provision stating that residents in facilities operated under bonafide Christian Science auspices may be exempt from the requirement that services of an Illinois licensed physician be available to every resident of a facility. Pursuant to Public Act 86-130, such facilities are no longer required to be licensed.

Medical treatment and procedures: Section 390.3220 is being amended in accordance with an amendment to Section 2-104(b) of the Nursing Home Care Act that requires all medical treatment and procedures to be administered as ordered by a physician. All new physician orders are to be reviewed by the facility's director of nursing or charge nurse designee within 24 hours after issuance. In addition, every woman resident of child-bearing age is to receive routine obstetrical and gynecological evaluations and necessary prenatal care. Guidelines of the American College of Obstetricians and Gynecologists have been included to define more clearly what constitutes "routine obstetrical and gynecological evaluations and necessary prenatal care." These are changes necessitated by Public Act 86-1013.

Employee or resident as perpetrator of abuse: Also in accordance with Public Act 86-1013, the amendment of Section 390.3240 includes provisions concerning the perpetration of abuse by residents or employees. An employee who is the perpetrator of abuse will immediately be barred from any further contact with residents of the facility, pending the outcome of any further investigation, prosecution or disciplinary action against the employee. The condition of a resident who is the perpetrator of abuse will be evaluated to determine the most suitable therapy and placement for the resident, considering the safety of the resident as well as the safety of other residents and employees of the facility.

Personal needs allowance: The Department is amending Section 390.3260 to implement Public Act 86-486, which requires facilities to take all steps necessary to ensure that a personal needs allowance that is placed in a resident's personal account is used exclusively by the resident or for the benefit of the resident. A definition of the term "personal needs allowance" is also included.

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16) Information and Questions regarding this Adopted Rulemaking shall be directed to:

Ms. Gail DeVito, Division of Governmental Affairs, Department of Public Health, 525 West Jefferson, Second Floor, Springfield, Illinois 62761, 217/782-6187.

The full text of the Adopted Amendments begins on the next page:

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TITLE 77: PUBLIC HEALTH
CHAPTER I: DEPARTMENT OF PUBLIC HEALTH
SUBCHAPTER c: LONG-TERM CARE FACILITIES

PART 390
LONG-TERM CARE FOR UNDER AGE 22 FACILITIES CODE

SUBPART A: GENERAL PROVISIONS

Section
390.110 General Requirements
390.120 Application for License
390.130 Licensee
390.140 Issuance of an Initial License for a New Facility
390.150 Issuance of an Initial License Due to a Change of Ownership
390.160 Issuance of a Renewal License
390.165 Criteria for Adverse Licensure Actions
390.170 Denial of Initial License
390.175 Denial of Renewal of License
390.180 Revocation of License
390.190 Experimental Program Conflicting With Requirements
390.200 Inspections, Surveys, Evaluations and Consultation
390.210 Filing an Annual Attested Financial Statement
390.220 Information to be Made Available to the Public by the Department
390.230 Information to Be Made Available to the Public By the Licensee
390.240 Municipal Licensing
390.250 Ownership Disclosure
390.260 Issuance of Conditional Licenses
390.270 Monitor and Receivership
390.272 Determination to Issue a Notice of Violation or Administrative Warning
390.274 Determination of the Level of a Violation
390.276 Notice of Violation
390.277 Administrative Warning
390.278 Plans of Correction
390.280 Reports of Correction
390.282 Conditions for Assessment of Penalties
390.284 Calculation of Penalties
390.286 Determination to Assess Penalties
390.288 Reduction or Waiver of Penalties
390.290 Quarterly List of Violators
390.300 Alcoholism Treatment Programs in Long-Term Care Facilities
390.310 Department May Survey Facilities Formerly Licensed
390.320 Waivers
390.330 Definitions
390.340 Incorporated and Referenced Materials

SUBPART B: ADMINISTRATION

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390.500 Administrator

SUBPART C: POLICIES

390.610 Management Policies
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390.660 General Policies
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390.675 Initial Health Evaluation for Employees
390.680 Child Care/Habilitation Aides
390.685 Student Interns
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390.700 Serious Incidents and Accidents

SUBPART D: PERSONNEL

390.810 General
390.820 Categories of Personnel
390.830 Consultation Services

SUBPART E: HEALTH AND DEVELOPMENTAL SERVICES

390.1010 Service Programs
390.1020 Medical Services
390.1030 Physician Services
390.1035 Tuberculin Skin Test Procedures
390.1040 Nursing Services
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390.1060 Physical and Occupational Therapy Services
390.1070 Psychological Services
390.1080 Social Services
390.1090 Speech Pathology and Audiology Services
390.1100 Recreational and Activity Services
390.1110 Educational Services
390.1120 Work Activity and Prevocational Training Services

SUBPART F: RESTRAINTS AND SAFETY DEVICES,
BEHAVIOR MANAGEMENT, AND BEHAVIOR EMERGENCIES

390.1310 Restraints and Safety Devices
390.1320 Behavior Management
390.1330 Behavior Emergencies

SUBPART G: MEDICATIONS

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390.1410 Medication Policies and Procedures
390.1420 Conformance with Physician's Orders
390.1430 Administration of Medication
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SUBPART H: RESIDENT AND FACILITY RECORDS

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390.1920 Kitchen Equipment, Utensils, and Supplies

SUBPART J: MAINTENANCE, HOUSEKEEPING, AND LAUNDRY

390.2010 Maintenance
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SUBPART K: FURNISHINGS, EQUIPMENT, AND SUPPLIES

390.2210 Furnishings
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SUBPART L: WATER SUPPLY AND SEWAGE DISPOSAL

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390.2420 Water Supply
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SUBPART M: DESIGN AND CONSTRUCTION STANDARDS FOR NEW FACILITIES

390.2610 Applicability of these Standards
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SUBPART N: DESIGN AND CONSTRUCTION STANDARDS FOR EXISTING FACILITIES

390.2910 Applicability
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SUBPART O: RESIDENT'S RIGHTS

390.3210 General
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390.3290 Private Right of Action
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SUBPART P: DAY CARE PROGRAMS

390.3510 Day Care in Long-Term Care Facilities

APPENDIX A Interpretation and Illustrative Services for Long-Term Care Facility for Residents Under 22 Years of Age
APPENDIX B Forms for Day Care In Long-Term Care Facilities
TABLE A Infant Feeding
TABLE B Daily Nutritional Requirements By Age Group
TABLE C Sound Transmissions Limitations
TABLE D Pressure Relationships and Ventilation Rates of Certain Areas for New Long-Term Care Facilities for Persons Under Twenty-Two (22) Years of Age
TABLE E Sprinkler Requirements
TABLE F Disaster Preparedness Parameters - Relative Humidity and Temperature

AUTHORITY: Implementing and authorized by the Nursing Home Care Act (Ill. Rev. Stat. 1989, ch. 111 1/2, par. 4151-101 et seq.).

SOURCE: Adopted at 6 Ill. Reg. 1658, effective February 1, 1982; emergency amendment at 6 Ill. Reg. 3223, effective March 8, 1982, for a maximum of 150 days; amended at 6 Ill. Reg. 11622, effective September 14, 1982; amended at 6 Ill. Reg. 14557 and 14560, effective November 8, 1982; amended at 6 Ill. Reg. 14678, effective November 15, 1982; amended at 7 Ill. Reg. 282, effective December 22, 1982; amended at 7 Ill. Reg. 1927, effective January 28, 1983; amended at 7 Ill. Reg. 8574, effective July 11, 1983; amended at 7 Ill. Reg. 15821, effective November 15, 1983; amended at 7 Ill. Reg. 16988, effective December 14, 1983; amended at 8 Ill. Reg. 15585, 15589, and 15592, effective August 15, 1984; amended at 8 Ill. Reg. 16989, effective September 5, 1984; codified at 8 Ill. Reg. 19823; amended at 8 Ill. Reg. 24159, effective November 29, 1984; amended at 8 Ill. Reg. 24656, effective December 7, 1984; amended at 8 Ill. Reg. 25083, effective December 14, 1984; amended at 9 Ill. Reg. 122, effective December 26, 1984; amended at 9 Ill. Reg. 10785, effective July 1, 1985; amended at 11 Ill. Reg. 16782, effective October 1, 1987; amended at 12 Ill. Reg. 931, effective December 24, 1987; amended at 12 Ill. Reg. 16780, effective October 1, 1988; emergency amendment at 12 Ill. Reg. 18243, effective October 24, 1988, for a maximum of 150 days; emergency expired March 23, 1989; amended at 13 Ill. Reg. 6301, effective April 17, 1989; amended at 13 Ill. Reg. 19521, effective December 1, 1989; amended at 14 Ill. Reg. 14904, effective October 1, 1990; amended at 15 Ill. Reg. 1878, effective January 25, 1991.

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NOTE: Italics and capitalization denote statutory language.

Section 390.330 Definitions

The terms defined in this Section are terms that are used in one or more of the sets of licensing standards established by the Department to license various levels of long-term care. They are defined as follows:

ABUSE - ANY PHYSICAL OR MENTAL INJURY OR SEXUAL ASSAULT INFLICTED ON A RESIDENT OTHER THAN BY ACCIDENTAL MEANS IN A FACILITY. (Section 4151-103 of the Act)

ACCESS - THE RIGHT TO:

ENTER ANY FACILITY;

COMMUNICATE PRIVATELY AND WITHOUT RESTRICTION WITH ANY RESIDENT WHO CONSENTS TO THE COMMUNICATION;

SEEK CONSENT TO COMMUNICATE PRIVATELY AND WITHOUT RESTRICTION WITH ANY RESIDENT;

INSPECT THE CLINICAL AND OTHER RECORDS OF A RESIDENT WITH THE EXPRESS WRITTEN CONSENT OF THE RESIDENT;

OBSERVE ALL AREAS OF THE FACILITY EXCEPT THE LIVING AREA OF ANY RESIDENT WHO PROTESTS THE OBSERVATION. (Section 3-104 of the Act)

Act - as used in this Part, the Nursing Home Care Act (Ill. Rev. Stat. 1989~~7~~, ch. 111 1/2, par. 4151-101 et seq.~~,-as-amended-by Public-Act-85-968,-effective-December-9,-1987;-Public-Act-85-1183,-effective-August-13,-1988;-and-Public-Act-85-1378,-effective September-1,-1988~~).

Activity Program - a specific planned program of varied group and individual activities geared to the individual resident's needs and available for a reasonable number of hours each day.

Adaptive Behavior - the effectiveness or degree with which the individual meets the standards of personal independence and social responsibility expected of his age and cultural group.

Addition - any construction attached to the original building which increases the area or cubic content of the building.

Adequate - enough in either quantity or quality, as determined by a reasonable person familiar with the professional standards of the

subject under review, to meet the needs of the residents of a facility under the particular set of circumstances in existence at the time of review.

Administrative Warning - a notice to a facility issued by the Department under Section 390.277 of this Part and Section 3-303.2 of the Act, which indicates that a situation, condition, or practice in the facility violates the Act or the Department's rules, but is not a type ~~level~~ A or type ~~level~~ B violation.

Administrator - the person who is directly responsible for the operation and administration of the facility, irrespective of the assigned title. (See Licensed Nursing Home Administrator)

Advocate - a person who represents the rights and interests of an individual as though they were the person's own, in order to realize the rights to which the individual is entitled, obtain needed services, and remove barriers to meeting the individual's needs.

AFFILIATE MEANS:

WITH RESPECT TO A PARTNERSHIP, EACH PARTNER THEREOF.

WITH RESPECT TO A CORPORATION, EACH OFFICER, DIRECTOR AND STOCKHOLDER THEREOF.

WITH RESPECT TO A NATURAL PERSON: ANY PERSON RELATED IN THE FIRST DEGREE OF KINSHIP TO THAT PERSON; EACH PARTNERSHIP AND EACH PARTNER THEREOF OF WHICH THAT PERSON OR ANY AFFILIATE OF THAT PERSON IS A PARTNER; AND EACH CORPORATION IN WHICH THAT PERSON OR ANY AFFILIATE OF THAT PERSON IS AN OFFICER, DIRECTOR OR STOCKHOLDER. (Section 1-106 of the Act)

Aide or Orderly - any person providing direct personal care, training or habilitation services to residents.

Alteration - any construction change or modification of an existing building which does not increase the area or cubic content of the building.

Ambulatory Resident - a person who is physically and mentally capable of walking without assistance, or is physically able with guidance to do so, including the ascent and descent of stairs.

APPLICANT - ANY PERSON MAKING APPLICATION FOR A LICENSE. (Section 1-107 of the Act)

Appropriate - term used to indicate that a requirement is to be

applied according to the needs of a particular individual or situation.

Assessment - the use of an objective system with which to evaluate the physical, social, developmental, behavioral, and psychosocial aspects of an individual.

Audiologist - a person who is certified or is eligible for a certificate of clinical competence in audiology granted by the American Speech and Hearing Association under its requirements in effect on the publication of this provision or meets the educational requirements for certification, and is in the process of accumulating the supervised experience required for certification.

Autism - A syndrome described as consisting of withdrawal, very inadequate social relationships, exceptional object relationships, language disturbances and monotonously repetitive motor behavior; many children with autism will also be seriously impaired in general intellectual functioning; Mental illness observed in young children characterized by severe withdrawal and inappropriate response to external stimulation.

Autoclave - an apparatus for sterilizing by superheated steam under pressure.

Auxiliary Personnel - all nursing personnel in intermediate care facilities and skilled nursing facilities other than licensed personnel.

Basement - when used in this Part means any story or floor level below the main or street floor. Where due to grade difference, there are two levels each qualifying as a street floor, a basement is any floor below the level of the two street floors. Basements shall not be counted in determining the height of a building in stories.

Behavior Modification - treatment to be used to establish or change behavior patterns.

Cerebral Palsy - a disorder dating from birth or early infancy, nonprogressive, characterized by examples of aberrations of motor function (paralysis, weakness, incoordination) and often other manifestations of organic brain damage such as sensory disorders, seizures, mental retardation, learning difficulty and behavior disorders.

Certification for Title XVIII and XIX - the issuance of a document by the Department to the Department of Health and Human Services or the Department of Public Aid verifying compliance with applicable

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statutory or regulatory requirements for the purposes of participation as a provider of care and service in a specific Federal or State health program.

Charge Nurse - a charge nurse is a registered professional nurse or a licensed practical nurse in charge of the nursing activities for a specific unit or floor during a tour of duty.

Child Care/Habilitation Aide - any person who provides nursing, personal or rehabilitative care to residents of licensed Long-Term Care Facilities for Persons Under 22 Years of Age, regardless of title, and who is not otherwise licensed, certified or registered by the Department of Professional Regulation to render such care. Child Care/Habilitation aides must function under the supervision of a licensed nurse.

Community Alternatives - service programs in the community provided as an alternative to institutionalization.

Community Living Facility - see Facility, Community Living.

Continuing Care Contract - a contract through which a facility agrees to supplement all forms of financial support for a resident throughout the remainder of the resident's life.

Contract - a binding agreement between a resident or the resident's guardian (or, if the resident is a minor, the resident's parent) and the facility or its agent.

Corporal Punishment - painful stimuli inflicted directly upon the body.

Cruelty and Indifference to Welfare of the Resident - failure to provide a resident with the care and supervision he requires; or, the infliction of mental or physical abuse. Examples of physical abuse are restraining a resident, striking, slapping, hitting, or withholding food as punishment. Examples of mental abuse are swearing, threatening and seclusion.

Dentist - any person licensed by the State of Illinois to practice dentistry, includes persons holding a Temporary Certificate of Registration, as provided in the Illinois Dental Practice Act (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 2301 et seq.).

Department - as used in this Part means the Illinois Department of Public Health.

Developmentally Disabled - those individuals whose disability is

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attributable to mental retardation, cerebral palsy, epilepsy, autism, or other pathological conditions which generally originate before such individuals attain age 18, and which continue, or can be expected to continue, indefinitely, and which constitute a substantial functioning handicap to such individuals.

Developmental Disability - a severe, chronic disability of a person which:

is attributable to a mental or physical impairment or combination of mental and physical impairment or combination of mental and physical impairments;

is manifest before age 22;

is likely to continue indefinitely;

results in substantial functional limitations in three or more of the following areas of major life activities:

self-care;

receptive and expressive language;

learning;

mobility;

self-direction;

capacity for independent living; and

economic self-sufficiency; and

reflects the persons's needs for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of life-long or extended duration and individually planned and coordinated.

Dietetic Service Supervisor - a person who:

is a qualified dietitian; or

is a graduate of a dietetic technician or dietetic assistant training program, corresponding or classroom, approved by the American Dietetic Association; or

is a graduate of a Department-approved course that provides 90

or more hours of classroom instruction in food service supervision and has had experience as a supervisor in a health care institution, which included consultation from a dietitian; or

has training and experience in food service supervision and management in a military service equivalent in content to the program in paragraph (2) or (3) of this definition.

Dietitian - a person who:

is eligible for registration by the American Dietetic Association; or

has a baccalaureate degree with major studies in food and nutrition, dietetics, and food service management, has one year of supervisory experience in the dietetic service of a health care institution, and participates annually in continuing dietetic education.

Direct Supervision - means that work is performed under the guidance and direction of a supervisor who is responsible for the work, who plans work and methods, who is available on short notice to answer questions and deal with problems that are not strictly routine, who regularly reviews the work performed, and who is accountable for the results.

DIRECTOR - THE DIRECTOR OF PUBLIC HEALTH OR HIS DESIGNEE. (Section 1-110 of the Act)

Director of Nursing Service - the full-time Professional Registered Nurse who is directly responsible for the immediate supervision of the nursing services.

DISCHARGE - THE FULL RELEASE OF ANY RESIDENT FROM A FACILITY. (Section 1-111 of the Act)

Distinct Part - an entire, physically identifiable unit consisting of all of the beds within that unit and having facilities meeting the standards applicable to the levels of service to be provided. Staff and services for a distinct part are established as set forth in the respective regulations governing the levels of services approved for the distinct part.

Emergency - a situation, physical condition or one or more practices, methods or operations which present imminent danger of death or serious physical or mental harm to residents of a facility.

Epilepsy - a chronic symptom of cerebral dysfunction, characterized by recurrent attacks, involving changes in the state of consciousness, sudden in onset, and of brief duration. Many attacks are accompanied by a seizure in which the person falls involuntarily.

Equivalent of a Graduate Licensed Practical Nurse - a licensed practical nurse, licensed by waiver who successfully passes the proficiency examination approved by the U.S. Department of Health and Human Services shall be considered the equivalent of a licensed practical nurse who is a graduate of an approved school of practical nursing for the purposes of this Part.

Existing Long-Term Care Facility - any facility initially licensed as a health care facility or approved for construction by the Department, or any facility initially licensed or operated by any other agency of the State of Illinois, prior to March 1, 1980. Existing long-term care facilities shall meet the design and construction standards for existing facilities for the level of long-term care for which the license (new or renewal) is to be granted.

Facility, Community Living - a place of residence as limited in these standards for between five and 80 ambulatory adults who are mildly or moderately mentally retarded with a potential for being absorbed into the mainstream of community life.

Facility, Intermediate Care - a facility which provides basic nursing care and other restorative services under periodic medical direction. Many of these services may require skill in administration. Such facilities are for residents who have long-term illnesses or disabilities which may have reached a relatively stable plateau.

Facility, Intermediate Care for the Developmentally Disabled - when used in this Part is a facility of three or more persons, or distinct part thereof, serving residents of which more than 50 percent are developmentally disabled. Facilities with any number less than 50 percent of developmentally disabled residents, who are determined by the Department with consultation from the Division of Developmental Disabilities, Illinois Department of Mental Health and Developmental Disabilities to need organized social support and training programs, must comply with the program requirements in these minimum Standards.

FACILITY OR LONG-TERM CARE FACILITY - A PRIVATE HOME, INSTITUTION, BUILDING, RESIDENCE, OR ANY OTHER PLACE, WHETHER OPERATED FOR PROFIT OR NOT, OR A COUNTY HOME FOR THE INFIRM AND CHRONICALLY ILL OPERATED PURSUANT TO THE COUNTY HOME ACT (Ill. Rev. Stat. 1989ⅦⅦ, ch. 34, par. 5361 et seq.), AS NOW OR HEREAFTER AMENDED, OR BY A COUNTY

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PURSUANT TO "AN ACT IN RELATION TO HOMES FOR THE AGED" (Ill. Rev. Stat. 1989~~7~~, ch. 34, par. 3561 et seq.) as now or HEAREAFTER AMENDED, OR ANY SIMILAR INSTITUTION OPERATED BY A POLITICAL SUBDIVISION OF THE STATE OF ILLINOIS, WHICH PROVIDES, THROUGH ITS OWNERSHIP OR MANAGEMENT, PERSONAL CARE, SHELTERED CARE OR NURSING FOR THREE OR MORE PERSONS, NOT RELATED TO THE APPLICANT OR OWNER BY BLOOD OR MARRIAGE. IT INCLUDES SKILLED NURSING FACILITIES AND INTERMEDIATE CARE FACILITIES AS THOSE TERMS ARE DEFINED IN TITLE XVIII AND TITLE XIX OF THE FEDERAL SOCIAL SECURITY ACT (42 U.S.C.A. 1395 et seq. and 1936 et seq.). A "facility" may consist of more than one building as long as the buildings are on the same tract, or adjacent tracts of land. However, there shall be no more than one "facility" in any one building. "FACILITY" DOES NOT INCLUDE THE FOLLOWING:

A HOME, INSTITUTION, OR OTHER PLACE OPERATED BY THE FEDERAL GOVERNMENT OR AGENCY THEREOF, OR BY THE STATE OF ILLINOIS;

A HOSPITAL, SANITARIUM, OR OTHER INSTITUTION WHOSE PRINCIPAL ACTIVITY OR BUSINESS IS THE DIAGNOSIS, CARE, AND TREATMENT OF HUMAN ILLNESS THROUGH THE MAINTENANCE AND OPERATION AS ORGANIZED FACILITIES THEREFORE, WHICH IS REQUIRED TO BE LICENSED UNDER THE HOSPITAL LICENSING ACT (Ill. Rev. Stat. 1989~~7~~, ch. 111 1/2, par. 142 et seq.) AS NOW OR HEREAFTER AMENDED; ~~OR~~

ANY "FACILITY FOR CHILD CARE" AS DEFINED IN THE CHILD CARE ACT OF 1969 (Ill. Rev. Stat. 1989~~7~~, ch. 23, par. 2211 et seq.) AS NOW OR HEREAFTER AMENDED; OR~~,-(Section-1-113-of-the-Act)~~

~~ANY NURSING HOME OR SANATORIUM OPERATED SOLELY BY AND FOR PERSONS WHO RELY EXCLUSIVELY UPON TREATMENT BY SPIRITUAL MEANS THROUGH PRAYER, IN ACCORDANCE WITH THE CREED OR TENETS OF ANY WELL-RECOGNIZED CHURCH OR RELIGIOUS DENOMINATION. HOWEVER, SUCH NURSING HOME OR SANATORIUM SHALL COMPLY WITH ALL LOCAL LAWS AND RULES RELATING TO SANITATION AND SAFETY. (Section 1-113 of the Act)~~

Facility, Long-Term Care, for Residents Under 22 Years of Age - when used in these standards is synonymous with a long-term care facility for residents under 22 years of age, which facility provide~~s~~d total habilitative health care to residents who require specialized treatment, training and continuous nursing care because of medical or developmental disabilities.

Facility, Sheltered Care - when used in this Part is synonymous with a sheltered care facility, which facility provides maintenance, and personal care and oversight.

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Facility, Skilled Nursing - when used in this Part is synonymous with a skilled nursing facility. A skilled nursing facility provides skilled nursing care, continuous skilled nursing observations, restorative nursing, and other services under professional direction with frequent medical supervision. Such facilities are provided for patients who need the type of care and treatment required during the post acute phase of illness or during recurrences of symptoms in long-term illness.

Financial Responsibility - sufficient assets to provide adequate services such as: staff, heat, laundry, foods, supplies, and utilities for at least a two month period of time.

Full-time - means on duty a minimum of 36 hours, four days per week.

Goal - an expected result or condition that involves a relatively long period of time to achieve, that is specified in behavioral terms in a statement of relatively broad scope, and that provides guidance in establishing specific, short-term objectives directed toward its attainment.

Governing Body - the policy-making authority, whether an individual or a group, that exercises general direction over the affairs of a facility and establishes policies concerning its operation and the welfare of the individuals it serves.

GUARDIAN - A PERSON APPOINTED AS A GUARDIAN OF THE PERSON OR GUARDIAN OF THE ESTATE OR BOTH, OF A RESIDENT UNDER THE PROBATE ACT OF 1975 (Ill. Rev. Stat. 1989~~7~~, ch. 110 1/2, par. 1-1 et seq.) AS NOW OR HEREAFTER AMENDED. (Section 1-114 of the Act)

Habilitation - an effort directed toward the alleviation of a disability or toward increasing a person's level of physical, mental, social or economic functioning. Habilitation may include, but is not limited to, diagnosis, evaluation, medical services, residential care, day care, special living arrangements, training, education, sheltered employment, protective services, counseling and other services.

Health Services Supervisor - (Director of Nursing Service) the full-time Registered Nurse, or Licensed Practical Nurse, who is directly responsible for the immediate supervision of the health services in an Intermediate Care Facility.

Home for the Aged - any facility which is operated: by a not for profit corporation incorporated under, or qualified as a foreign corporation under, the General Not For Profit Corporation Act of 1986 as heretofore or hereafter amended (Ill. Rev. Stat. 1989~~7~~,

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ch. 32, par. 101.01 et seq.); or, by a county pursuant to "AN ACT in relation to homes for the aged" as heretofore or hereafter amended (Ill. Rev. Stat. 1989Ī, ch. 34, par. 3561 et seq.); or, pursuant to a trust or endowment established for nonprofit, charitable purposes, and which provides maintenance, personal care, nursing or sheltered care to three or more residents, 90 percent of whom are 60 or more years of age.

Hospitalization - the care and treatment of a person in a hospital as an in-patient.

House Manager - a qualified person on duty 40 hours a week managing the Community Living Facility and responsible for its operation and its inhabitants.

Individual Educational Program (IEP) - a written statement for each resident that provides for specific education and related services. The Individual Education Program may be incorporated into the Individual Habilitation Plan (IHP).

Individual Habilitation Plan (IHP) - a total plan of care that is developed by the interdisciplinary team for each resident, and that is developed on the basis of all assessment results.

Institutional Occupancy - when used in this Part means Health Care Facilities, Group (a), as defined in Chapter 10, paragraph 10-0001 of the Life Safety Code, National Fire Protection Association (1967 Edition).

Interdisciplinary Team - a group of persons that represents those professions, disciplines, or service areas that are relevant to identifying an individual's needs, and designs a program to meet those needs. This team shall include at least a physician, a social worker and other professionals. In Intermediate Care Facilities for The Developmentally Disabled (ICF/DD's) at least one member of the team shall be a Qualified Mental Retardation Professional.

Licensed Nursing Home Administrator - a person who is charged with the general administration and supervision of a facility and licensed under the Nursing Home Administrators Licensing and Disciplinary Act (Ill. Rev. Stat. 1989Ī, ch. 111, par. 3651 et seq.), as now or hereafter amended.

Licensed Practical Nurse - a person with a valid Illinois license to practice as a practical nurse.

LICENSEE - THE PERSON OR ENTITY LICENSED TO OPERATE THE FACILITY AS PROVIDED UNDER THE ACT. (Section 1-115 of the Act)

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Life Care Contract - a contract through which a facility agrees to provide maintenance and care for a resident throughout the remainder of the resident's life.

MAINTENANCE - FOOD, SHELTER, AND LAUNDRY SERVICES. (Section 1-116 of the Act)

Maladaptive Behavior - impairment in adaptive behavior as determined by a clinical psychologist or by a physician. Impaired adaptive behavior may be reflected in delayed maturation, reduced learning ability or inadequate social adjustment.

Medical Record Practitioner - a person who: is eligible for certification as a registered record administrator (RRA) or an accredited record technician (ART), by the American Medical Record Association under its requirements; or is a graduate of a school of medical record science that is accredited jointly by the American Medical Association and the American Medical Record Association.

Mentally Retarded and Mental Retardation - subaverage general intellectual functioning originating during the developmental period and associated with maladaptive behavior.

Misappropriation of Property - using a resident's cash, clothing, or other possessions without authorization by the resident or the resident's authorized representative; failure to return valuables after a resident's discharge; or failure to refund money after death or discharge when there is an unused balance in the resident's personal account.

Mobile Nonambulatory - unable to walk independently or without assistance, but able to move from place to place with the use of devices such as walkers, crutches, wheelchairs, and wheeled platforms.

Mobile Resident - any resident who is able to move about either independently or with the aid of assistive devices such as walkers, crutches, wheelchairs, and wheeled platforms.

Monitor - a qualified person placed in a facility by the Department to observe operations of the facility, assist the facility by advising it on how to comply with the State regulations, and who reports periodically to the Department on the operations of the facility.

Multidisciplinary - see Interdisciplinary Team.

NEGLECT - A FAILURE IN A FACILITY TO PROVIDE ADEQUATE MEDICAL OR PERSONAL CARE OR MAINTENANCE, WHICH FAILURE RESULTS IN PHYSICAL OR

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MENTAL INJURY TO A RESIDENT OR IN THE DETERIORATION OF A RESIDENT'S PHYSICAL OR MENTAL CONDITION. (Section 1-117 of the Act)

New Long-Term Care Facility - any facility initially licensed as a health care facility by the Department, or any facility initially licensed or operated by any other agency of the State of Illinois, on or after March 1, 1980. New long-term care facilities shall meet the design and construction standards for new facilities for the level of long-term care for which the license (new or renewal) is to be granted.

Normalization - the principle of helping individuals to obtain an existence as close to normal as possible, by making available to them patterns and conditions of everyday life that are as close as possible to the norms and patterns of the mainstream of society.

NURSE - A REGISTERED NURSE OR A LICENSED PRACTICAL NURSE AS DEFINED IN THE ILLINOIS NURSING ACT OF 1987 (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 3501 et seq.) AS NOW OR HEREAFTER AMENDED. (Section 1-118 of the Act)

Nursing Assistant - Any person who provides nursing care or personal care to residents of licensed long-term care facilities, regardless of title, and who is not otherwise licensed, certified or registered by the Department of Professional Regulation to render medical care. Other titles often used to refer to nursing assistants include, but are not limited to, nurse's aide, orderly and nurse technician. Nursing assistants must function under the supervision of a licensed nurse.

Nursing Care - a complex of activities which carries out the diagnostic, therapeutic, and rehabilitative plan as prescribed by the physician; care for the resident's environment; observing symptoms and reactions and taking necessary measures to carry out nursing procedures involving understanding of cause and effect in order to safeguard life and health.

Nursing Unit - a physically identifiable distinct part of a facility consisting of all the beds within the distinct part, but having no more than 75 beds, none of which are more than 120 feet from the nurse's station.

Objective - an expected result or condition that involves a relatively short period of time to achieve, that is specified in behavioral terms, and that is related to the achievement of a goal.

Occupational Therapist, Registered (OTR) - a person who is registered with the Department of Professional Regulation as an occupational

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therapist under the Illinois Occupational Therapy Practice Act (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 3701 et seq.).

Occupational Therapy Assistant - a person who is registered with the Department of Professional Regulation as a certified occupational therapy assistant under the Illinois Occupational Therapy Practice Act ~~(Ill. Rev. Stat. 1987, ch. 111, par. 3701 et seq.)~~.

Operator - the person responsible for the control, maintenance and governance of the facility, its personnel and physical plant.

Oversight - general watchfulness and appropriate action to meet the total needs of the residents, exclusive of nursing or personal care. Oversight shall include, but is not limited to, social, recreational and employment opportunities for residents who, by reason of mental disability, or in the opinion of a licensed physician, are in need of residential care.

OWNER - THE INDIVIDUAL, PARTNERSHIP, CORPORATION, ASSOCIATION OR OTHER PERSON WHO OWNS A FACILITY. IN THE EVENT A FACILITY IS OPERATED BY A PERSON WHO LEASES THE PHYSICAL PLANT, WHICH IS OWNED BY ANOTHER PERSON, "OWNER" MEANS THE PERSON WHO OPERATES THE FACILITY, EXCEPT THAT IF THE PERSON WHO OWNS THE PHYSICAL PLANT IS AN AFFILIATE OF THE PERSON WHO OPERATES THE FACILITY AND HAS SIGNIFICANT CONTROL OVER THE DAY-TO-DAY OPERATIONS OF THE FACILITY, THE PERSON WHO OWNS THE PHYSICAL PLANT SHALL INCUR JOINTLY AND SEVERALLY WITH THE OWNER ALL LIABILITIES IMPOSED ON AN OWNER UNDER THE ACT. (Section 1-119 of the Act)

Person - any individual, partnership, corporation, association, municipality, political subdivision, trust, estate or other legal entity whatsoever.

PERSONAL CARE - ASSISTANCE WITH MEALS, DRESSING, MOVEMENT, BATHING, OR OTHER PERSONAL NEEDS, OR GENERAL SUPERVISION AND OVERSIGHT OF THE PHYSICAL AND MENTAL WELL-BEING OF AN INDIVIDUAL, EXCLUSIVE OF NURSING, WHO BECAUSE OF AGE, PHYSICAL OR MENTAL DISABILITY, EMOTIONAL OR BEHAVIOR DISORDER, OR MENTAL RETARDATION IS INCAPABLE OF MAINTAINING A PRIVATE, INDEPENDENT RESIDENCE, OR WHO IS INCAPABLE OF MANAGING HIS PERSON WHETHER OR NOT A GUARDIAN HAS BEEN APPOINTED. (Section 1-120 of the Act)

Pharmacist, Registered - a person who holds a certificate of registration as a registered pharmacist, a local registered pharmacist or a registered assistant pharmacist under the Pharmacy Practice Act of 1987 (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 4121 et seq.).

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Physical Therapy Assistant - a person who has graduated from a two year college level program approved by the American Physical Therapy Association.

Physical Therapist - a person who is registered with the Department of Professional Regulation as a physical therapist under the Illinois Physical Therapy ~~License~~ Act (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 4251 et seq.).

Physician - any person licensed by the State of Illinois to practice medicine in all its branches as provided in the Medical Practice Act of 1987 (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 4400-1 et seq.).

Probationary License - an initial license issued for a period of 120 days during which time the Department will determine the qualifications of the applicant.

Program Coordinator - a qualified person directly responsible for the overall program, operation and management of a Community Living Facility.

Psychiatrist - a physician who has had at least three years of formal training or primary experience in the diagnosis and treatment of mental illness.

Psychologist - a person who is licensed by the Illinois Department of Professional Regulation to practice clinical psychology under the Clinical Psychologist Licensing Act (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 5351 et seq.).

Qualified Mental Retardation Professional - a person who has at least one year of experience working directly with individuals with developmental disabilities and meets at least one of the following additional qualifications:

Be a physician as defined in this Section.

Be a registered nurse as defined in this Section.

Hold at least a bachelor's degree in one of the following fields: occupational therapy, physical therapy, psychology, social work, speech or language pathology, recreation (or a recreational specialty area such as art, dance, music, or physical education), dietary services or dietetics, or a human services field (such as sociology, special education, or rehabilitation counseling).

Qualified Professional - a person who meets the educational,

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technical and ethical criteria of a health care profession, as evidenced by eligibility for membership in an organization established by the profession for the purpose of recognizing those persons who meet such criteria; and who is licensed, registered, or certified by the State of Illinois, if required.

REASONABLE VISITING HOURS - ANY TIME BETWEEN THE HOURS OF 10 A.M. AND 8 P.M. DAILY. (Section 1-121 of the Act)

Registered Nurse - a person with a valid Illinois license from the Illinois Department of Professional Regulation to practice as a registered professional nurse under the Illinois Nursing Act of 1987 (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 3501 et seq.).

Reputable Moral Character - having no history of a conviction of the applicant, or if the applicant is a firm, partnership, or association, of any of its members, or of a corporation, of any of its officers, or directors, or of the person designated to manage or supervise the facility, of a felony, or of two or more misdemeanors involving moral turpitude, as shown by a certified copy of the record of the court of conviction, or in the case of the conviction of a misdemeanor by a court not of record, as shown by other evidence; or other satisfactory evidence that the moral character of the applicant, or manager, or supervisor of the facility is not reputable.

RESIDENT - PERSON RESIDING IN AND RECEIVING PERSONAL CARE FROM A FACILITY. (Section 1-122 of the Act)

Resident Services Director - the full-time administrator, or an individual on the professional staff in the facility, who is directly responsible for the coordination and monitoring of the residents' overall plans of care in an intermediate care facility.

RESIDENT'S REPRESENTATIVE - A PERSON OTHER THAN THE OWNER, OR AN AGENT OR EMPLOYEE OF A FACILITY NOT RELATED TO THE RESIDENT, DESIGNATED IN WRITING BY A RESIDENT TO BE HIS REPRESENTATIVE, OR THE RESIDENT'S GUARDIAN, OR THE PARENT OF A MINOR RESIDENT FOR WHOM NO GUARDIAN HAS BEEN APPOINTED. (Section 1-123 of the Act)

Restorative Care - a health care process designed to assist residents to attain and maintain the highest degree of function of which they are capable (physical, mental, and social).

Restraint - any physical, mechanical, or chemical means, or the use thereof, that restricts movement of the limbs, head, or body of a resident, except when used as a safety device or as part of a medically prescribed procedure for the treatment of an existing physical disorder or the amelioration of a physical or emotional handicap.

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Mechanical restraint is any mechanical device, or use thereof, that so restricts movement.

Physical restraint is the use of personal human force that so restricts movement.

Chemical restraint is the use of any chemical that so restricts movement.

Mechanical supports used to achieve proper body position and balance are not restraints. The partial or total immobilization of a resident for the purpose of performing a medical/surgical procedure is not restraint.

Restriction - the placement of a limitation on a resident's rights, which includes the use of restraints, confinement, aversive stimuli, and time out exceeding 15 minutes at any one time.

Room - a part of the inside of a facility that is partitioned continuously from floor to ceiling with openings closed with glass or hinged doors.

Safety Device - any equipment or protective device used on a bed, chair, or resident which prevents him from falling or otherwise injuring himself. Examples are: bedside rails, geriatric or adaptive chairs, a wide band, vest or sheet applied to prevent falling out of a bed or chair, and hand socks applied to prevent injuring one's self.

Sanitization - the reduction of pathogenic organisms on a utensil surface to a safe level, which is accomplished through the use of steam, hot water, or chemicals.

Satisfactory - same as adequate.

Seclusion - the retention of a resident in a room which the resident cannot open.

Self Preservation - the ability to follow directions and recognize impending danger or emergency situations and react by avoiding or leaving the unsafe area.

SHELTERED CARE - MAINTENANCE AND PERSONAL CARE. (Section 1-124 of the Act)

Social Worker, Qualified - a person who:

is a licensed social worker or a licensed clinical social worker

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under the Clinical Social Work and Social Work Practice Act (Ill. Rev. Stat. 1989~~7~~, ch. 111, par. 6351 et seq.~~,-as amended-by-Public-Act-85-1131,-effective-July-21,-1988~~); and

is a graduate of a school of social work which has been approved by the Council on Social Work Education (some schools are approved for Bachelor's Degree programs and others for Master's Degree programs); and

has one year of social work experience in a health care setting.

State Fire Marshal - the Fire Marshal of the Office of the State Fire Marshal, Division of Fire Prevention.

Sterilization - the act or process of destroying completely all forms of microbial life, including viruses.

STOCKHOLDER OF A CORPORATION - ANY PERSON WHO, DIRECTLY OR INDIRECTLY, BENEFICIALLY OWNS, HOLDS OR HAS THE POWER TO VOTE, AT LEAST FIVE PERCENT OF ANY CLASS OF SECURITIES ISSUED BY THE CORPORATION. (Section 1-125 of the Act)

Story - when used in this Part means that portion of a building between the upper surface of any floor and the upper surface of the floor above except that the topmost story shall be the portion of a building between the upper surface of the topmost floor and the upper surface of the roof above.

STUDENT INTERN - MEANS ANY PERSON WHOSE TOTAL TERM OF EMPLOYMENT IN ANY FACILITY DURING ANY 12-MONTH PERIOD IS EQUAL TO OR LESS THAN 90 CONTINUOUS DAYS, AND WHOSE TERM OF EMPLOYMENT IS EITHER:

AN ACADEMIC CREDIT REQUIREMENT IN A HIGH SCHOOL OR UNDERGRADUATE INSTITUTION: OR

IMMEDIATELY SUCCEEDS A FULL QUARTER, SEMESTER OR TRIMESTER OF ACADEMIC ENROLLMENT IN EITHER A HIGH SCHOOL OR UNDERGRADUATE INSTITUTION, PROVIDED THAT SUCH PERSON IS REGISTERED FOR ANOTHER FULL QUARTER, SEMESTER OR TRIMESTER OF ACADEMIC ENROLLMENT IN EITHER A HIGH SCHOOL OR UNDERGRADUATE INSTITUTION WHICH QUARTER, SEMESTER OR TRIMESTER WILL COMMENCE IMMEDIATELY FOLLOWING THE TERM OF EMPLOYMENT. (Section 1-125.1 of the Act)

Substantial - meeting requirements except for variance from the strict and literal performance which result in unimportant omissions or defects given the particular circumstances involved. This definition is limited to the phrase as used in Sections 390.280(q)(8), 390.280(k)(2) and 390.280(k)(4).

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Substantial failure - the failure to meet requirements other than a variance from the strict and literal performance which result in unimportant omissions or defects given the particular circumstances involved. This definition is limited to the phrase as used in Sections 390.180(b)(1) and 390.260(f).

Sufficient - Same as adequate.

Supervision - authoritative procedural guidance by a qualified person for the accomplishment of a function or activity within his sphere of competence, with initial direction and periodic inspection of the actual act of accomplishing the function or activity. Unless otherwise stated in this Part, the supervisor must be on the premises if the person does not meet assistant level (two year training program) qualifications specified in these definitions.

Therapeutic Recreation Specialist - a person who is certified by the National Council for Therapeutic Recreation Certification and who meets the minimum standards it has established for classification as a Therapeutic Recreation Specialist.

Time Out - removing an individual from a situation that results in undesirable behavior. It is a behavior modification procedure which is developed and implemented under the supervision of a qualified professional.

TITLE XVIII - TITLE XVIII OF THE FEDERAL SOCIAL SECURITY ACT AS NOW OR HEREAFTER AMENDED. (Section 1-126 of the Act)

TITLE XIX - TITLE XIX OF THE FEDERAL SOCIAL SECURITY ACT AS NOW OR HEREAFTER AMENDED. (Section 1-127 of the Act)

TRANSFER - A CHANGE IN STATUS OF A RESIDENT'S LIVING ARRANGEMENTS FROM ONE FACILITY TO ANOTHER FACILITY. (Section 1-128 of the Act)

TYPE A VIOLATION - A VIOLATION OF THE ACT OR OF THE RULES PROMULGATED THEREUNDER WHICH CREATES A CONDITION OR OCCURRENCE RELATING TO THE OPERATION AND MAINTENANCE OF A FACILITY PRESENTING A SUBSTANTIAL PROBABILITY THAT DEATH OR SERIOUS MENTAL OR PHYSICAL HARM TO A RESIDENT WILL RESULT THEREFROM. (Section 1-129 of the Act)

TYPE B VIOLATION - A VIOLATION OF THE ACT OR OF THE RULES PROMULGATED THEREUNDER WHICH CREATES A CONDITION OR OCCURRENCE RELATING TO THE OPERATION AND MAINTENANCE OF A FACILITY DIRECTLY THREATENING TO THE HEALTH, SAFETY OR WELFARE OF A RESIDENT. (Section 1-130 of the Act)

Unit - an entire physically identifiable residence area, in Community Living Facilities consisting of not less than five nor more than 20

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beds, and having facilities meeting the standards applicable to the levels of service to be provided. Staff and services for each distinct resident area are established as set forth in the respective regulations governing the approved levels of service.

Universal Progress Notes - a common record with periodic narrative documentation by all persons involved in resident care.

Valid License - a license which is unsuspended, unrevoked and unexpired.

(Source: Amended at 15 Ill. Reg. 1878, effective January 25, 1991)

Section 390.1030 Physician Services

a) General Requirements for Physician Services

1) The services of a physician licensed to practice medicine in Illinois shall be available to every resident in the facility. ~~Residents in facilities operated under bona fide Christian Science auspices may be exempt from this requirement.~~ (A, B)

2) Physician services are to include a complete physical examination at least annually and formal arrangements to provide for medical and behavior emergencies on a 24 hour seven day week basis. (B)

b) The resident shall be permitted his choice of a physician. If the resident is a minor or under guardianship, the appropriate person shall have this privilege.

c) The resident shall be seen by a physician as often as necessary to assure adequate medical care. (Medicare/Medicaid requires certification visits.) (A, B)

d) Physicians shall participate, when appropriate, in the continuing interdisciplinary evaluation of individual residents, for the purposes of initiating, monitoring, and following-up of individualized habilitation programs for treatment.

e) Physician Signature Requirements

1) All physician orders, plans of treatment, Medicare/Medicaid Certification and recertification statements and similar documents must have the original written signature of the physician.

2) The use of a physician's rubber stamp signature with or without

initials is not acceptable.

f) Each resident admitted shall have a complete physical examination, including stool culture, within two weeks prior to admission. There shall be another physical examination (which need not include a stool culture) conducted by the physician who will be attending the resident in the facility within 72 hours after admission to the facility unless the preadmission examination has been conducted by the same physician. In any case, the facility shall have the results of a stool culture before a resident is admitted. This examination shall include an evaluation of the resident's condition, including height and weight, and recommendations for care of the resident including personal care needs and permission for participation in the activity and developmental program. This examination shall also include documentation of the presence or the absence of tuberculosis infection by tuberculin skin test in accordance with Section 390.1035. The report shall also include documentation of the presence or absence of incipient or manifest decubitus ulcers (commonly known as bed sores) with grade, size and location specified, and orders for treatment if present. (A photograph of incipient or manifest decubitus ulcers is recommended on admission.) The report shall also include orders from the physician regarding weighing of the resident, and the frequency of such weighing, if ordered. (See Section 390.1620(a)) (B)

g) The admission information for a resident shall include summary of present medical findings, medical history, mental and physical functioning capacity, diagnosis and prognosis when available and; it shall also include orders for medications, treatments, restorative (re)habilitation services, diet, specific procedures recorded for the health and safety of the resident, activities and plans for continuing care and discharge. If this information is not received with the resident at the time of admission, it must be received within 48 hours.

h) All admissions to or continued care in the facility shall be upon the recommendation of a physician.

i) The provisions of subsections (f), (g) and (h) of this Section will not apply in the use of emergency admissions. In such a case, the physician shall meet the criteria in these standards within 72 hours.

j) Physician Notification

1) The facility shall immediately notify the physician of any significant accident, injury, or unusual change in a resident's condition that threatens the health, safety or welfare of a resident, including, but not limited to, the presence of

incipient or manifest decubitus ulcers or a weight loss or gain of five percent or more within a period of 30 days. (B)

2) The facility shall obtain and record the physician's plan of care for the care or treatment of such accident, injury or change in condition at the time of notification.

k) At the time of an accident, immediate first aid treatment shall be provided by personnel trained in medically approved first aid procedures. (B)

(Source: Amended at 15 Ill. Reg. 1878, effective January 25, 1991)

Section 390.3220 Medical and Personal Care Program

a) A RESIDENT SHALL BE PERMITTED TO RETAIN THE SERVICES OF HIS OWN PERSONAL PHYSICIAN AT HIS OWN EXPENSE UNDER AN INDIVIDUAL OR GROUP PLAN OF HEALTH INSURANCE, OR UNDER ANY PUBLIC OR PRIVATE ASSISTANCE PROGRAM PROVIDING SUCH COVERAGE. ~~(B)~~ (Section 2-104(a) of the Act) (B)

b) THE DEPARTMENT SHALL NOT PRESCRIBE THE COURSE OF MEDICAL TREATMENT PROVIDED TO AN INDIVIDUAL RESIDENT BY THE RESIDENT'S PHYSICIAN IN A FACILITY. (Section 2-104(a) of the Act)

c) EVERY RESIDENT SHALL BE PERMITTED TO OBTAIN FROM HIS OWN PHYSICIAN OR THE PHYSICIAN ATTACHED TO THE FACILITY COMPLETE AND CURRENT INFORMATION CONCERNING HIS MEDICAL DIAGNOSIS, TREATMENT AND PROGNOSIS IN TERMS AND LANGUAGE THE RESIDENT CAN REASONABLY BE EXPECTED TO UNDERSTAND. (Section 2-104(a) of the Act)

d) ALL RESIDENTS SHALL BE PERMITTED TO PARTICIPATE IN THE PLANNING OF THEIR TOTAL CARE AND MEDICAL TREATMENT TO THE EXTENT THAT THEIR CONDITION PERMITS. (Section 2-104(a) of the Act)

e) NO RESIDENT SHALL BE SUBJECTED TO EXPERIMENTAL RESEARCH OR TREATMENT WITHOUT FIRST OBTAINING HIS INFORMED, WRITTEN CONSENT. THE CONDUCT OF ANY EXPERIMENTAL RESEARCH OR TREATMENT SHALL BE AUTHORIZED AND MONITORED BY AN INSTITUTIONAL REVIEW COMMITTEE APPOINTED BY THE ADMINISTRATOR OF THE FACILITY WHERE SUCH RESEARCH AND TREATMENT IS CONDUCTED. ~~(A, B)~~ (Section 2-104(a) of the Act) (A, B)

f) ALL MEDICAL TREATMENT AND PROCEDURES SHALL BE ADMINISTERED AS ORDERED BY A PHYSICIAN. ALL NEW PHYSICIAN ORDERS SHALL BE REVIEWED BY THE FACILITY'S DIRECTOR OF NURSING OR CHARGE NURSE DESIGNEE WITHIN 24 HOURS AFTER SUCH ORDERS HAVE BEEN ISSUED TO ASSURE FACILITY COMPLIANCE WITH SUCH ORDERS. (Section 2-104(b) of the Act)

g) EVERY WOMAN RESIDENT OF CHILD-BEARING AGE SHALL RECEIVE ROUTINE OBSTETRICAL AND GYNECOLOGICAL EVALUATIONS AS WELL AS NECESSARY PRENATAL CARE. (Section 2-104(b) of the Act) In addition, women residents should be referred immediately for diagnosis whenever pregnancy is suspected.

1) "Routine obstetrical evaluations" and "necessary prenatal care" shall include, as a minimum, the following:

A) Early diagnosis of pregnancy.

B) A comprehensive health history, including menstrual history, data on the current pregnancy that allow the physician to estimate the date of delivery.

C) Identification of factors in the current pregnancy that help to identify the patient at high risk, such as maternal age, vaginal bleeding, edema, urinary infection, exposure to radiation and chemicals, ingestion of drugs and alcohol, and use of tobacco.

D) A comprehensive physical examination, including an evaluation of nutritional status; determination of height, weight and blood pressure; examination of the head, breasts, heart, lungs, abdomen, pelvis, rectum, and extremities.

E) The following laboratory tests, as early in pregnancy as possible. Findings obtained from the history and physical examination may determine the need for additional laboratory evaluations.

i) Hemoglobin or hematocrit measurement
ii) Urinalysis, including microscopic examination or culture
iii) Blood group and Rh type determination
iv) Antibody screen
v) Rubella antibody titer measurement
vi) Syphilis screen
vii) Cervical cytology
viii) Viral hepatitis (HBsAg) testing

F) A risk assessment, which, based on the findings of the history and physical examination, should indicate any risk factors that may require special management, such as cardiovascular disease, maternal age less than 15 years or more than 35 years, neurologic disorder, or congenital abnormalities.

G) Return visits, the frequency of which will be determined by the patient's needs and risk factors. Generally a woman with an uncomplicated pregnancy should be seen every 4 weeks for the first 28 weeks of pregnancy, every 2-3 weeks until 36 weeks of gestation, and weekly thereafter.

H) The physical examination at each visit should include determinations of blood pressure, measured fundal height, fetal heart rate, and, in later months, fetal presentation, and urinalysis for albumin and glucose. Hemoglobin or hematocrit level should be measured again early in the third trimester. Glucose screening is recommended for women who are 30 years of age or older.

I) Evaluation and monitoring of nutritional status and habits.

J) Education for health promotion and maintenance.

K) Counseling concerning exercise and child birth education programs.

L) Postpartum review and evaluation 4-8 weeks after delivery, including determination of weight and blood pressure and assessment of status of breasts, abdomen, and external and internal genitalia.

2) "Routine gynecological evaluations" shall include, as a minimum, the following:

A) An initial examination, the basic components of which are:

i) History; any present illnesses; menstrual, reproductive, medical, surgical, emotional, social, family, and sexual history; medications; allergies; family planning; and systems review.

ii) Physical examination, including height, weight, nutritional status, and blood pressure; head and neck, including thyroid gland; heart; lungs; breasts; abdomen; pelvis, including external and internal genitalia; rectum; extremities, including signs of abuse; lymph nodes.

iii) Laboratory tests, including urine screen; hemoglobin or hematocrit determination and, if indicated, complete blood cell count; cervical cytology; rubella titer.

B) Annual updates:

i) History, including the purpose of the visit; menstrual history; interval history, including systems review; emotional history.

ii) Physical examination, including weight, nutritional status and blood pressure; thyroid gland; breasts; abdomen; pelvis, including external and internal genitalia; rectum; other areas as indicated by the interval history.

iii) Laboratory, including urine screen; cervical cytology, unless not indicated; hemoglobin or hematocrit determinations.

iv) Additional laboratory tests, such as screening for sexually transmitted disease, should be performed as warranted by the history, physical findings, and risk factors.

C) Cancer screening:

i) An annual and Pap test for all women who are or have been sexually active or have reached age 18.

ii) Mammography if indicated.

3) When a resident is referred for a diagnosis of pregnancy and/or prenatal care, the facility shall send the provider a copy of the resident's medical record, including a list of prescription medications taken by the resident; use of alcohol, tobacco and illicit drugs, or exposure to radiation or chemicals during the preceding three months.

h~~f~~) EVERY RESIDENT SHALL BE PERMITTED TO REFUSE MEDICAL TREATMENT AND TO KNOW THE CONSEQUENCES OF SUCH ACTION, UNLESS SUCH REFUSAL WOULD BE HARMFUL TO THE HEALTH AND SAFETY OF OTHERS AND SUCH HARM IS DOCUMENTED BY A PHYSICIAN IN THE RESIDENT'S CLINICAL RECORD. ~~(B)~~ (Section 2-104(c)~~(b)~~ of the Act) (B)

i~~g~~) EVERY RESIDENT, RESIDENT'S GUARDIAN, OR PARENT (IF THE RESIDENT IS A MINOR) SHALL BE PERMITTED TO INSPECT AND COPY ALL OF THE CLINICAL AND OTHER RECORDS CONCERNING THE RESIDENT'S CARE AND MAINTENANCE KEPT BY THE FACILITY OR BY THE RESIDENT'S PHYSICIAN. (Section 2-104(d)~~(e)~~ of the Act)

j~~h~~) EVERY RESIDENT'S REPRESENTATIVE SHALL BE PERMITTED TO INSPECT AND

COPY THE RESIDENT'S RECORDS. A "RESIDENT'S REPRESENTATIVE" IS A PERSON, OTHER THAN THE OWNER OR AN AGENT OR EMPLOYEE OF A FACILITY WHO IS NOT RELATED TO THE RESIDENT, DESIGNATED IN WRITING BY A RESIDENT TO BE HIS REPRESENTATIVE, OR THE RESIDENT'S GUARDIAN, OR THE PARENT OF A MINOR RESIDENT FOR WHOM NO GUARDIAN HAS BEEN APPOINTED. (Sections 1-123 and 2-202(h) of the Act)

k~~i~~) ALL RESIDENTS SHALL BE PERMITTED RESPECT AND PRIVACY IN THEIR MEDICAL AND PERSONAL CARE PROGRAM. EVERY RESIDENT'S CASE DISCUSSION, CONSULTATION, EXAMINATION AND TREATMENT SHALL BE CONFIDENTIAL AND SHALL BE CONDUCTED DISCREETLY, AND THOSE PERSONS NOT DIRECTLY INVOLVED IN THE RESIDENT'S CARE MUST HAVE THE RESIDENT'S PERMISSION TO BE PRESENT. ~~(B)~~ (Section 2-105 of the Act) (B)

(Source: Amended at 15 Ill. Reg. 1878, effective January 25, 1991)

Section 390.3240 Abuse and Neglect

a) AN OWNER, LICENSEE, ADMINISTRATOR, EMPLOYEE OR AGENT OF A FACILITY SHALL NOT ABUSE OR NEGLECT A RESIDENT. ~~(A,~~-B~~)~~ (Section 2-107 of the Act) (A, B)

b) A FACILITY EMPLOYEE OR AGENT WHO BECOMES AWARE OF ABUSE OR NEGLECT OF A RESIDENT SHALL IMMEDIATELY REPORT THE MATTER TO THE FACILITY ADMINISTRATOR. (Section 3-610 of the Act)

c) A FACILITY ADMINISTRATOR WHO BECOMES AWARE OF ABUSE OR NEGLECT OF A RESIDENT SHALL IMMEDIATELY REPORT THE MATTER BY TELEPHONE AND IN WRITING TO THE RESIDENT'S REPRESENTATIVE. (Section 3-610 of the Act)

d) A FACILITY ADMINISTRATOR, EMPLOYEE, OR AGENT WHO BECOMES AWARE OF ABUSE OR NEGLECT OF A RESIDENT SHALL ALSO REPORT THE MATTER TO THE DEPARTMENT. (Section 3-610 of the Act)

e) EMPLOYEE AS PERPETRATOR OF ABUSE. WHEN AN INVESTIGATION OF A REPORT OF SUSPECTED ABUSE OF A RESIDENT INDICATES, BASED UPON CREDIBLE EVIDENCE, THAT AN EMPLOYEE OF A LONG-TERM CARE FACILITY IS THE PERPETRATOR OF THE ABUSE, THAT EMPLOYEE SHALL IMMEDIATELY BE BARRED FROM ANY FURTHER CONTACT WITH RESIDENTS OF THE FACILITY, PENDING THE OUTCOME OF ANY FURTHER INVESTIGATION, PROSECUTION OR DISCIPLINARY ACTION AGAINST THAT EMPLOYEE. (Section 3-611 of the Act)

f) RESIDENT AS PERPETRATOR OF ABUSE. WHEN AN INVESTIGATION OF A REPORT OF SUSPECTED ABUSE OF A RESIDENT INDICATES, BASED UPON CREDIBLE EVIDENCE, THAT ANOTHER RESIDENT OF THE LONG-TERM CARE FACILITY IS THE PERPETRATOR OF THE ABUSE, THAT RESIDENT'S CONDITION SHALL BE IMMEDIATELY EVALUATED TO DETERMINE THE MOST SUITABLE THERAPY AND PLACEMENT FOR THE RESIDENT, CONSIDERING THE SAFETY OF THAT RESIDENT

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AS WELL AS THE SAFETY OF OTHER RESIDENTS AND EMPLOYEES OF THE FACILITY. (Section 3-612 of the Act)

(Source: Amended at 15 Ill. Reg. 1878, effective January 25, 1991)

Section 390.3260 Resident's Funds

a) A RESIDENT SHALL BE PERMITTED TO MANAGE HIS OWN FINANCIAL AFFAIRS UNLESS HE OR HIS GUARDIAN OR IF THE RESIDENT IS A MINOR, HIS PARENT, AUTHORIZES THE ADMINISTRATOR OF THE FACILITY IN WRITING TO MANAGE SUCH RESIDENT'S FINANCIAL AFFAIRS UNDER SUBSECTIONS (b) THROUGH (m) OF THIS SECTION. (Section 2-102 of the Act)

b) THE FACILITY SHALL AT THE TIME OF ADMISSION, PROVIDE, IN ORDER OF PRIORITY, EACH RESIDENT, OR THE RESIDENT'S GUARDIAN, IF ANY, OR THE RESIDENT'S REPRESENTATIVE, IF ANY, OR THE RESIDENT'S IMMEDIATE FAMILY MEMBER, IF ANY, WITH A WRITTEN STATEMENT EXPLAINING THE RESIDENT'S RIGHTS REGARDING PERSONAL FUNDS AND LISTING THE SERVICES FOR WHICH THE RESIDENT WILL BE CHARGED, AND OBTAIN A SIGNED ACKNOWLEDGEMENT FROM EACH RESIDENT OR THE RESIDENT'S GUARDIAN, IF ANY, OR THE RESIDENT'S REPRESENTATIVE, IF ANY, OR THE RESIDENT'S IMMEDIATE FAMILY MEMBER, IF ANY, THAT SUCH PERSON HAS RECEIVED THE STATEMENT. (Section 2-201(1) of the Act)

c) THE FACILITY MAY ACCEPT FUNDS FROM A RESIDENT FOR SAFEKEEPING AND MANAGING, IF IT RECEIVES WRITTEN AUTHORIZATION FROM, IN ORDER OF PRIORITY, THE RESIDENT OR THE RESIDENT'S GUARDIAN, IF ANY, OR THE RESIDENT'S REPRESENTATIVE, IF ANY, OR THE RESIDENT'S IMMEDIATE FAMILY MEMBER, IF ANY; SUCH AUTHORIZATION SHALL BE ATTESTED TO BY A WITNESS WHO HAS NO PECUNIARY INTEREST IN THE FACILITY OR ITS OPERATIONS, AND WHO IS NOT CONNECTED IN ANY WAY TO FACILITY PERSONNEL OR THE ADMINISTRATOR IN ANY MANNER WHATSOEVER. (Section 2-201(2) of the Act)

d) THE FACILITY SHALL MAINTAIN AND ALLOW, IN ORDER OF PRIORITY, EACH RESIDENT OR THE RESIDENT'S GUARDIAN, IF ANY, OR THE RESIDENT'S REPRESENTATIVE, IF ANY, OR THE RESIDENT'S IMMEDIATE FAMILY MEMBER, IF ANY, ACCESS TO A WRITTEN RECORD OF ALL FINANCIAL ARRANGEMENTS AND TRANSACTIONS INVOLVING THE INDIVIDUAL RESIDENT'S FUNDS. (Section 2-201(3) of the Act)

e) THE FACILITY SHALL PROVIDE, IN ORDER OF PRIORITY, EACH RESIDENT, OR THE RESIDENT'S GUARDIAN, IF ANY, OR THE RESIDENT'S REPRESENTATIVE, IF ANY, OR THE RESIDENT'S IMMEDIATE FAMILY MEMBER, IF ANY, WITH A WRITTEN ITEMIZED STATEMENT AT LEAST QUARTERLY, OF ALL FINANCIAL TRANSACTIONS INVOLVING THE RESIDENT'S FUNDS. (Section 2-201(4) of the Act)

f) THE FACILITY SHALL PURCHASE A SURETY BOND TO GUARANTEE THE SECURITY

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OF RESIDENT'S FUNDS. (Section 2-201(5) of the Act)

g) THE FACILITY SHALL KEEP ANY FUNDS RECEIVED FROM A RESIDENT FOR SAFEKEEPING IN AN ACCOUNT SEPARATE FROM THE FACILITY'S FUNDS, AND SHALL AT NO TIME WITHDRAW ANY PART OR ALL OF SUCH FUNDS FOR ANY PURPOSE OTHER THAN TO RETURN THE FUNDS TO THE RESIDENT UPON THE REQUEST OF THE RESIDENT OR ANY OTHER PERSON ENTITLED TO MAKE SUCH REQUEST, TO PAY THE RESIDENT HIS ALLOWANCE, OR TO MAKE ANY OTHER PAYMENT AUTHORIZED BY THE RESIDENT OR ANY OTHER PERSON ENTITLED TO MAKE SUCH AUTHORIZATION. (Section 2-201(6) of the Act)

h) THE FACILITY SHALL DEPOSIT ANY FUNDS RECEIVED FROM A RESIDENT IN EXCESS OF $100 IN AN INTEREST BEARING ACCOUNT INSURED BY AGENCIES OF, OR CORPORATIONS CHARTERED BY, THE STATE OR FEDERAL GOVERNMENT. THE ACCOUNT SHALL BE IN A FORM WHICH CLEARLY INDICATES THAT THE FACILITY HAS ONLY A FIDUCIARY INTEREST IN THE FUNDS AND ANY INTEREST FROM THE ACCOUNT SHALL ACCRUE TO THE RESIDENT. (Section 2-201(7) of the Act)

i) THE FACILITY MAY KEEP UP TO $100 OF A RESIDENT'S MONEY IN A NON-INTEREST BEARING ACCOUNT OR PETTY CASH FUND, TO BE READILY AVAILABLE FOR THE RESIDENT'S CURRENT EXPENDITURES. (Section 2-201(7) of the Act)

j) THE FACILITY SHALL RETURN TO THE RESIDENT, OR THE PERSON WHO EXECUTED THE WRITTEN AUTHORIZATION REQUIRED IN SUBSECTION (c) OF THIS SECTION, UPON WRITTEN REQUEST, ALL OR ANY PART OF THE RESIDENT'S FUNDS GIVEN THE FACILITY FOR SAFEKEEPING, INCLUDING THE INTEREST ACCRUED FROM DEPOSITS. (Section 2-201(8) of the Act)

k) THE FACILITY SHALL PLACE ANY MONTHLY ALLOWANCE TO WHICH A RESIDENT IS ENTITLED IN THAT RESIDENT'S PERSONAL ACCOUNT, OR GIVE IT TO THE RESIDENT, UNLESS THE FACILITY HAS WRITTEN AUTHORIZATION FROM THE RESIDENT OR THE RESIDENT'S GUARDIAN, OR IF THE RESIDENT IS A MINOR, HIS PARENT, TO HANDLE IT DIFFERENTLY. (Section 2-201(9) of the Act)

l) UNLESS OTHERWISE PROVIDED BY STATE LAW, THE FACILITY SHALL UPON THE DEATH OF A RESIDENT PROVIDE THE EXECUTOR OR ADMINISTRATOR OF THE RESIDENT'S ESTATE WITH A COMPLETE ACCOUNTING OF ALL THE RESIDENT'S PERSONAL PROPERTY, INCLUDING ANY FUNDS OF THE RESIDENT BEING HELD BY THE FACILITY. (Section 2-201(10) of the Act)

m) IF AN ADULT RESIDENT IS INCAPABLE OF MANAGING HIS FUNDS AND DOES NOT HAVE A RESIDENT'S REPRESENTATIVE, GUARDIAN, OR AN IMMEDIATE FAMILY MEMBER THE FACILITY SHALL NOTIFY THE OFFICE OF THE STATE GUARDIAN OF THE GUARDIANSHIP AND ADVOCACY COMMISSION. (Section 2-201(11) of the Act)

n) IF THE FACILITY IS SOLD, THE SELLER SHALL PROVIDE THE BUYER WITH A

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WRITTEN VERIFICATION BY A PUBLIC ACCOUNTANT OF ALL RESIDENTS' MONIES AND PROPERTIES BEING TRANSFERRED, AND OBTAIN A SIGNED RECEIPT FROM THE NEW OWNER. (Section 2-201(12) of the Act)

o) THE FACILITY SHALL TAKE ALL STEPS NECESSARY TO ENSURE THAT A PERSONAL NEEDS ALLOWANCE THAT IS PLACED IN A RESIDENT'S PERSONAL ACCOUNT IS USED EXCLUSIVELY BY THE RESIDENT OR FOR THE BENEFIT OF THE RESIDENT. WHERE SUCH FUNDS ARE WITHDRAWN FROM THE RESIDENT'S PERSONAL ACCOUNT BY ANY PERSON OTHER THAN THE RESIDENT, THE FACILITY SHALL REQUIRE SUCH PERSON TO WHOM FUNDS CONSTITUTING ANY PART OF A RESIDENT'S PERSONAL NEEDS ALLOWANCE ARE RELEASED TO EXECUTE AN AFFIDAVIT THAT SUCH FUNDS SHALL BE USED EXCLUSIVELY FOR THE BENEFIT OF THE RESIDENT. (Section 2-201(9)(b) of the Act). "Personal needs allowance," for the purposes of this subsection, refers to the monthly allowance allotted by the Illinois Department of Public Aid to public aid recipients.

(Source: Amended at 15 Ill. Reg. 1878, effective January 25, 1991)

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1) Heading of the Part: Savings Bank Act

2) Code Citation: 38 Ill. Adm. Code 1075

3)

Section numbers	Section numbers	Adopted Action
1075.100	1075.630	New Section
1075.110	1075.640	New Section
1075.120	1075.650	New Section
1075.130	1075.660	New Section
1075.140	1075.670	New Section
1075.200	1075.680	New Section
1075.300	1075.700	New Section
1075.310	1075.705	New Section
1075.400	1075.710	New Section
1075.410	1075.715	New Section
1075.415	1075.720	New Section
1075.420	1075.725	New Section
1075.430	1075.730	New Section
1075.440	1075.735	New Section
1075.450	1075.740	New Section
1075.455	1075.745	New Section
1075.460	1075.750	New Section
1075.465	1075.800	New Section
1075.470	1075.810	New Section
1075.480	1075.820	New Section
1075.490	1075.900	New Section
1075.500	1075.905	New Section
1075.505	1075.910	New Section
1075.510	1075.915	New Section
1075.515	1075.920	New Section
1075.520	1075.925	New Section
1075.525	1075.930	New Section
1075.530	1075.935	New Section
1075.535	1075.940	New Section
1075.540	1075.945	New Section
1075.545	1075.950	New Section
1075.550	1075.955	New Section
1075.555	1075.960	New Section
1075.560	1075.965	New Section
1075.565	1075.970	New Section
1075.570	1075.975	New Section
1075.575	1075.980	New Section
1075.580	1075.985	New Section
1075.585	1075.990	New Section
1075.600	1075.995	New Section
1075.610	1075.1000	New Section
1075.620	1075.1005	New Section

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Section numbers	Section numbers	Adopted Action
1075.1010	1075.1250	New Section
1075.1015	1075.1255	New Section
1075.1020	1075.1260	New Section
1075.1025	1075.1265	New Section
1075.1030	1075.1270	New Section
1075.1035	1075.1275	New Section
1075.1040	1075.1280	New Section
1075.1045	1075.1285	New Section
1075.1050	1075.1290	New Section
1075.1055	1075.1295	New Section
1075.1100	1075.1300	New Section
1075.1105	1075.1305	New Section
1075.1110	1075.1310	New Section
1075.1115	1075.1315	New Section
1075.1120	1075.1320	New Section
1075.1125	1075.1325	New Section
1075.1130	1075.1400	New Section
1075.1135	1075.1405	New Section
1075.1140	1075.1410	New Section
1075.1145	1075.1415	New Section
1075.1150	1075.1420	New Section
1075.1155	1075.1425	New Section
1075.1160	1075.1430	New Section
1075.1165	1075.1435	New Section
1075.1170	1075.1440	New Section
1075.1175	1075.1445	New Section
1075.1180	1075.1450	New Section
1075.1185	1075.1500	New Section
1075.1190	1075.1510	New Section
1075.1195	1075.1520	New Section
1075.1200	1075.1530	New Section
1075.1205	1075.1540	New Section
1075.1210	1075.1550	New Section
1075.1215	1075.1600	New Section
1075.1220	1075.1610	New Section
1075.1225	1075.1620	New Section
1075.1230	1075.1630	New Section
1075.1235	1075.1640	New Section
1075.1240	1075.1650	New Section
1075.1245		New Section

4) Statutory Authority: Authorized by the Savings Bank Act, P.A. 86-1213 (effective August 30, 1990).

5) Effective Date of Adopted Rules: January 25, 1991

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6) Does this rulemaking contain an automatic repeal date: No.

7) Does this Emergency Rule contain incorporations by reference: No.

8) Date Filed in Agency's Principal Office: August 10, 1990.

9) Notice of Proposal Published in Illinois Register: September 14, 1990, 14 Ill. Reg. 14758

10) Has JCAR issued a Statement of Objections to this rule: No.

11) Differences between proposal and final version:

Section 1075.130(a): Delete duplication of the words "of the next".

Section 1075.410(b): Add "Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 1464(5)(s)(5))" and delete "Financial Institution Supervisory Act of 1966 (12 U.S.C. 1464)".

Section 1075.430: Delete "such" before "accounting" in line 4; and, replace "number" with "numbered page" in third sentence of subsection (k).

Section 1075.440(a): Insert following the words "unsafe or unsound", the phrase "by the Commissioner pursuant to The Act".

Section 1075.460(d): In line 4 insert "in" between the words "cases which" and add a colon following "schedule" at the end of this subsection.

Section 1075.470: Change "currently" to "current" in subsection (a); and replace "in their name" with "in its name" in subsection (c).

Section 1075.510: Delete the opening statement in subsection (a)(1), "in the case of the proposed borrower, said borrower's" and replace it with, "the proposed borrower's"; delete the opening statement in subsection (a)(2), "in the case of a mortgage loan,", and, in line 2 of this subsection add "mortgage loan" between the words "proposed security".

Section 1075.515: In line 2 and 13 of subsection (c)(4) delete hyphen between "value-ratio"; change "(10)" to "(10th)"

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in line 16 of subsection (c)(5); in subsection (c)(6)(E) line 1 change "may" to "shall"; and, in subsection (d)(2)(C) delete the "and" following "have" in line 2.

Section 1075.540: Delete only the opening paragraph and replace it to read as follows:

"A savings bank may invest in loans, debts and advances of credit made for the purpose of financing vehicle/automobile purchases."

Section 1075.555: Replace comma with a period after "market" and delete "and the value can be easily ascertained under generally accepted accounting principles (GAAP).".

Section 1075.560(b)(1): Change "which ever" to "whichever" in line 1.

Section 1075.565(c): Add "(CFTC)" after "Commodity Futures Trading Commission".

Section 1075.570: Delete the comma and "the" after "Part" in subsection (a); replace "provided" with "follows" in subsection (b); and, add the following new language to the end of subsection (b)(2):

"Permission shall be granted if the Commissioner finds such investment is not for speculative purposes and that such investment is made in accordance with a well-defined hedging program adopted by the savings bank board of directors."

Section 1075.585(c)(2): Replace "statues" with "statutes" in line 3.

Section 1075.610(c)(4): Add the phrase "as defined in Section 1075.585(b)" following the word "item(s)" in line 2.

Section 1075.630(c)(1): Change "C" to lower case in "ch." in the citation to the Illinois Revised Statutes.

Section 1075.680(f): Insert "the" before "control" in line 5.

Section 1075.700(d)(4): Insert an "a" before "request" in line 1.

Section 1075.705(b): Delete at the end of this subsection the phrase "on the prescribed".

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Section 1075.720(d): Delete "s" from "institutions(s)" in line 4.

Section 1075.750(c): Insert a colon following "follows" at end of this subsection.

Section 1075.800: Add to the end of the first sentence after "may impose" the following new language, "with regard to safety and soundness and maintenance of adequate financial condition especially in areas of preservation of capital, quality of earnings and adequacy of reserves".

Section 1075.945: Substitute "(ies)" for "(s)" in the word "company's".

Section 1075.955: Add the additional language to the end of this Section:

"Consolidation may be appropriate, for example, in cases such as: when multiple parties assert the same claim(s), the same fact pattern(s), or the same legal right(s), or are in other aspects congruently situated. Severance, for example, may occur where there are multiple parties to whom the above-listed examples for consolidation do not apply, or who have interests adverse to one another."

Section 1075.970(b): Delete the comma after "document" and make the word plural, add "and" before "provide for", and, delete at the end of the subsection "if necessary and generally conduct the proceedings according to generally recognized administrative law and Subpart I of this Part".

Section 1075.985(c): Delete the comma after the word "party" in line 1 and after the word "matter" in line 3.

Section 1075.990(a): Correct grammar by adding the word "the" prior to the word "resolution" in line 5.

Section 1075.1005(a): Insert an "a" before the word "resolution".

Section 1075.1035(b): Correct spelling of "statue" to read "statute".

Section 1075.1035(d): Delete the commas after "Commissioner" and "may", delete "as part of said order,", and, add after the word "require" a comma and the phrase "in keeping with Section 1075.100(f) of this Part and as part of said order,".

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Section 1075.1100(b): Make the word "institution" plural in the last line of this subsection.

Section 1075.1240: Delete the colon and add "as" following the word "factors" in line 3 of subsection (a)(1); and, in subsection (d) change "bank that existed" to "bank than existed" in line 7.

Section 1075.1275: Substitute a comma for the period following "restrictions".

Section 1075.1280: Delete the comma following "financial institution" in the last sentence.

Section 1075.1285: Change the two citations to the Illinois Revised Statutes from the 1987 edition to the 1989 edition.

Section 1075.1295: Delete the phrase "Generally Accepted Accounting Principles" and replace it with the words "The Act" in subsection (a); in subsection (b) line 1 add "at a minimum", delete the word "considered" from line 5, and, at the end of the sentence in this subsection add "to determine the principals and ownership of the entity".

Section 1075.1310(a): In subsection (a) capitalize the "S" in "state-chartered"; and, in subsection (e) change "an savings bank" to "a savings bank" in two locations.

Section 1075.1410: Change in both the Table of Contents and the text, the Section heading by making "Conversions" singular and adding after it the word "Plan"; in subsection (a)(1) add the phrase "and all documentation submitted in support of the application for conversion" following "(hereafter "board")," and, insert immediately after the word "regulations" a comma and the words "The Act".

Section 1075.1420: In subsection (a)(1) make the word "believe" plural in line 3; delete all of the language in (a)(5) and replace it with the following new language:

5) "each person listed in subsection (a)(4) above shall disclose his or her affiliations with insured depository institutions and their subsidiaries and affiliates, for the last five years, including advances of credit of more than $50,000; equity investments of more than 10% of outstanding stock; service as a director or officer; and any business relationship which generated more than $10,000 per year or an aggregate of $50,000 per relationship in cash or other items of measurable value;"

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Delete all of the language in (a)(6); renumber subsequent subparagraphs (a)(7) through (22) as (a)(6) through (21) accordingly; and, plural "directors" in the phrase "board of director" in renumbered subparagraphs (a)(11) and (18).

Section 1075.1425: Delete all language in subsection (a); reletter subsection (b) and (c) to subsection (a) and (b); add a new subsection (c) to read as follows:

"c) Upon application to the Commissioner and for good cause shown an applicant may dispense with mailed notice of the date of vote for conversion, to depositors and shareholders. In cases where notice is mailed to eligible depositors and shareholders, each mailed notice shall include at least, a summary statement of the Plan of Conversion, the proposed ballot or proxy and a copy of the proposed Articles of Incorporation. Each notice whether mailed, posted or published shall state the time, place and governing rules for the vote."

Delete all of the language in subsection (d); reletter subsection (e) to (d); add at the end of subsection (d) a semi-colon with the following new language, "except that any member of a mutual institution chartered with "Federal Charter K Revised" may not cast more than 50 votes in keeping with the provisions of said charter."; and, reletter subsequent subsections 1075.1425(f)-(i) accordingly.

Section 1075.1520(e): Insert the word "to" before "hire" in the last line of this subsection.

Section 1075.1530: Make existing language as subsection (a), delete in the last sentence the phrase, "subparagraph (d)" and replace it with "Articles 9 and 10 of The Act"; and, add as subsection (b) the following language:

"b) In implementing Section 1002, "Policy and Purpose" of the Act, the Commissioner shall take into consideration the standards and policies of the Federal Deposit Insurance Act and the rules promulgated thereunder."

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Section 1075.1550(a)(1): Replace "or" with "and".

Section 1075.1640(d)(2): Add a comma immediately following "insured depository institution".

Section 1075.1650(d)(3): Change "shall" to "should".

There were technical changes made in this Part.

12) Have all the changes agreed upon by the agency and JCAR been made as indicated in the agreement letter issued by JCAR: Yes.

13) Will this rule replace an emergency rule currently in effect: Yes.

14) Are there any amendments pending on this Part: No.

15) Summary and Purpose of Rule:

The Savings Bank Act, P.A. 86-1213, effective August 30, 1990, creates a new depository institution for the State of Illinois, one which combines the elements of commercial banking, retail consumer deposit accounts and residential lendings and services.

The attractiveness of a charter combining these elements and the market demand for the unique combination of services and products has lead to an unprecedented expression of interest in it from financial services investors and existing institutions both locally and nationally. It promises to be a valuable tool in restructuring and further strengthening Illinois residential and retail financial services in the wake events that precipitated the enactment of the Financial Institution Reform, Recovery and Enforcement Act of 1989.

Many existing Illinois financial institutions have expressed interest in converting to this new savings bank charter. Two associations are finalizing applications to convert to the state savings bank charter and are anticipating filing such applications with the Office of the Commissioner of Savings and Residential Finance by mid-December, 1990. Four other associations are in various stages of preparing applications, having received an affirmative vote of their boards of directors to pursue the conversion to state savings bank. Many others are reviewing the conversion process.

Consequently, the State of Illinois must be able to process

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and act upon legally filed applications and be able to regulate successfully converted applicants. The rules presented herein are required by The Act as signed by the Governor and are necessary for the processing of applications and to guide users of The Act in structuring operations, corporate organization and activities, business matters, loans and other investment products.

16) Information and questions regarding this Adopted Rule shall be directed to:

Mr. Jay R. Stevenson, Deputy Commissioner
Office of the Commissioner of Savings and Residential Finance
500 East Monroe, Suite 800
Springfield, Illinois 61701-1509
217/782-6169

The full text of the Adopted Rules begin on the next page:

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TITLE 38: FINANCIAL INSTITUTIONS
CHAPTER VIII: COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE

PART 1075
SAVINGS BANK ACT

SUBPART A: FILINGS

Section
1075.100 Filings
1075.110 Conditions
1075.120 Examination Fees
1075.130 Supervisory Fees
1075.140 Adjusted Supervisory Fees

SUBPART B: DEFINITIONS

1075.200 Definitions

SUBPART C: REPORTS

1075.300 Contracts
1075.310 Financial Reports

SUBPART D: OPERATIONS

1075.400 Capital Stock
1075.410 Minimum Capital Requirement
1075.415 Conflicting Federal Powers, Law and Regulations
1075.420 Advertising
1075.430 Maintenance of Records
1075.440 Business Plan
1075.450 Excess Insurance
1075.455 Vacancies in the Board of Directors
1075.460 Bond of Officers, Directors, Employees and Agents
1075.465 Indemnification of Officers, Directors, Employees and Agents
1075.470 Deceptively Similar Names
1075.480 Manner of Display of Annual Meeting Notice
1075.490 Procedures for Exercise of Dissenters Rights

SUBPART E: INVESTMENTS

1075.500 Prudent Person Rule
1075.505 Investment Underwriting Practice
1075.510 Discrimination and Redlining
1075.515 Loans Secured by Real Estate
1075.520 Construction Loans
1075.525 Mobile Home Financing
1075.530 Overdraft Loans
1075.535 Education Loans
1075.540 Vehicle/Automobile Loans

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Section
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1075.550 Letter of Credit
1075.555 Other Investments
1075.560 Commercial Paper
1075.565 Financial Futures
1075.570 Financial Options
1075.575 Finance Leasing
1075.580 Suretyship
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SUBPART F: SERVICE CORPORATION

1075.600 Requirements
1075.610 Approval by the Commissioner
1075.620 Investment Limitations
1075.630 Investments by Service Corporations
1075.640 Ownership of Capital Stock of Service Corporation
1075.650 Prohibited Transactions
1075.660 Disclosure to Service Corporation
1075.670 Reporting Requirements
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SUBPART G: RELOCATIONS AND BRANCHING

1075.700 General
1075.705 Application
1075.710 Request for Preliminary Determination
1075.715 Public Notice and Inspection
1075.720 Protest
1075.725 Oral Argument
1075.730 Application for the Maintenance of Branch Office after Conversion, Consolidation, Purchase of Assets or Merger
1075.735 Redesignation of Offices
1075.740 Termination of Operation and/or Closing of a Branch Office
1075.745 Agency Offices
1075.750 Remote Drive-In and/or Remote Pedestrian Facilities

SUBPART H: CAPITAL NOTES AND DEBENTURES

1075.800 Approval
1075.810 Conversion to Stock
1075.820 Priority of Claim

SUBPART I: ADMINISTRATIVE HEARING PROCEDURES

1075.900 Applicability
1075.905 Definitions
1075.910 Early Neutral Evaluation
1075.915 Conference Adjudicative Hearing
1075.920 Filing

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Section
1075.925 Form of Documents
1075.930 Computation of Time
1075.935 Appearances
1075.940 Notice of Hearing
1075.945 Service of the Notice of Hearing
1075.950 Motion and Answer
1075.955 Consolidation and Severance of Matters-Additional Parties
1075.960 Intervention
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AUTHORITY: Implementing and authorized by the Savings Bank Act (P.A. 86-1213, effective August 30, 1990)

SOURCE: Emergency Rules Adopted at 14 Ill. Reg. 15029, effective September 4, 1990, for a maximum of 150 days; adopted at 15 Ill. Reg. 1916, effective January 25, 1991.

NOTE: Capitalization denotes statutory language.

SUBPART A: FILINGS

Section 1075.100 Filings

Filings pertaining to matters named hereafter shall be subject to the indicated fee pursuant to the Savings Bank Act ("The Act") (P.A. 86-1213, effective August 30, 1990). Such fee or fees shall be paid at the Commissioner's Office at the time of filing. Payment shall be by check, draft or money order made payable to the Commissioner of Savings and Residential Finance.

a) Permit to Organize
(Section 3001 of The Act).....$ 1,000.00

b) Merger
(Section 8005 of The Act).....$ 1,000.00

c) Sale of Assets
(Section 8010 of The Act).....$ 1,000.00

d) Amendment to Articles of Incorporation providing for the Issuance of Permanent Reserve Shares (Section 5004 of The Act) (Section 1075.400 of this Part).....$ 1,000.00

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e) Conversion from Savings Bank Charter to any Federal Charter (Section 8001 of The Act).....One (1) times the last total annual Supervisory Fee calculated and assessed against the Savings Bank as set forth in Section 1075.130(a) and (b).

f) Hearing or Oral Argument -- each applicant requesting a hearing or oral argument and/or each objector requesting a hearing or oral argument and/or each adversary participating in a hearing or oral argument (Section 9018 of The Act) (Sections 1075.725 and 1075.900 of this Part).....$ 500.00

Each applicant requesting a hearing or oral argument and/or each objector requesting a hearing or oral argument and/or each adversary participating in a hearing or oral argument shall bear its pro rata share of all expense incurred in said proceedings.

g) Application for Subsidiary Acquisition Fee (Section 2004 of The Act).....$ 250.00

h) Photocopy and Duplication Fees

1) Photocopies (Per Page).....$ .25

2) Savings Bank Act.....$ 25.00

3) Rules.....$ 25.00

4) Annual Report.....$ 25.00

5) Mailing Labels.....$ 35.00

Section 1075.110 Conditions

a) No submission subject to a fee shall be considered complete without the stipulated fee.

b) The fee shall be non-refundable regardless of the subsequent action with respect to the submission.

c) The Commissioner may waive the payment of the applicable fee otherwise required by this Section and Section 1075.100 of this Part when:

1) the Commissioner determines that the respective merger or bulk sale of assets avoids the need for

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the Commissioner to take custody of the respective savings bank pursuant to Section 10001 of The Act; or

2) the establishment of a branch office is at the location of the home office of the savings bank which ceases to exist as the result of a merger or bulk sale of assets which avoids the need for the Commissioner to take custody of the respective savings bank pursuant to Section 10001 of The Act; or

3) the termination of operation and closing of a branch office pertains to a branch office of a savings bank which ceases to exist as the result of a merger or bulk sale of assets which avoids the need for the Commissioner to take custody of the respective savings bank pursuant to Section 10001 of The Act and the closing of the respective branch office is a condition stipulated in the plan of the respective merger or bulk sale of assets.

Section 1075.120 Examination Fees

a) Time expended in the conduct of any examination of the affairs of any savings bank or service corporation pursuant to Section 9004 of The Act or applicable service corporation undertakings, respectively, shall be billed by the Commissioner at a rate of $29.00 per examiner hour. Such fee shall be billed within forty-five (45) days following completion of the respective examination.

b) When out-of-state travel occurs in the conduct of any examination, the savings bank or service corporation will be billed for expenses incurred in the performance of duties. Billings for such expense shall not exceed amounts authorized pursuant to the travel regulations of the Department of Central Management Services/Governor's Travel Control Board (80 Ill. Adm. Code 2800). In the situation where examination procedures are performed at out-of-state locations, the examination fee of $29.00 per hour plus travel, lodging and per diem shall be assessed. Additionally, travel time shall be billed at the examination rate of $29.00 per hour.

Section 1075.130 Supervisory Fees

a) The Commissioner shall receive and there shall be paid

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to the Commissioner by each savings bank and each service corporation operating under The Act, a fixed fee of $450.00, plus a variable fee based on the total assets of each savings bank and each service corporation as shown on the financial report filed with the Commissioner for the reporting period of the prior calendar year ended December 31 according to the following schedule: 22.5¢ per $1,000 of the first $2,000,000 of total assets, 20.25¢ per $1,000 of the next $3,000,000 of total assets, 18.0¢ per $1,000 of the next $5,000,000 of total assets, 15.75¢ per $1,000 of the next $15,000,000 of total assets, 13.5¢ per $1,000 of the next $25,000,000 of total assets, 11.25¢ per $1,000 of the next $50,000,000 of total assets, 9.0¢ per $1,000 of the next $400,000,000 of total assets, 6.75¢ per $1,000 of the next $500,000,000 of total assets, and 4.5¢ per $1,000 of all total assets in excess of $1,000,000,000 of such savings bank or service corporation. In the situation where service corporations and/or finance subsidiaries are owned by the savings bank, the owned assets may be consolidated with the assets of the savings bank for calculation of this fee. If the finance subsidiary is not active and is in the form of a Collateralized Mortgage Obligation or a similar vehicle (Mortgage Backed Securities, Real Estate Mortgage Income Certificates, and other securitized debt instruments), the Commissioner shall waive that portion of the fee attributed to the finance subsidiary.

b) The Commissioner shall receive and there shall be paid to the Commissioner by each savings bank a fee of $450.00 for each approved branch office or facility office established under Subpart G of this Part. The determination of such fees shall be made annually as of the close of business of the prior calendar year ended December 31.

c) One fourth of the sum of the supervisory fee so determined shall be remitted at the time of each calendar quarter end. A calendar quarter end shall mean March 31, June 30, September 30 and December 31. Such fees shall be for the respective current year.

d) Supervisory fees shall be determined by the Commissioner within ninety (90) days following the close of the respective calendar year; however, the dates of billings shall not prejudice the validity of an invoice for any such fees billed at a later date.

e) In the event the state charter is converted or otherwise surrendered during the year, the Commissioner shall determine the supervisory fee based on the total assets of the savings bank as of the month-end immediately preceding the cancellation of the state charter, except that the measurement date may be another date at the discretion of the Commissioner in the event a savings bank elects to liquidate. In determining whether to set another measurement date, the Commissioner shall consider the following elements: whether the savings bank is undergoing a planned liquidation (where a savings bank elects to not continue operations), or, the savings bank has transferred significant assets (more than 1/2 of 1 percent of the total assets at the previous measurement date).

f) The Commissioner may waive part of the first annual supervisory fee specified under subsection (a) above, for a savings and loan association that has paid the fee for conversion to federal charter as required under the rules promulgated pursuant to the Illinois Savings and Loan Act of 1985 (38 Ill. Adm. Code 400.110(b)). Such waiver, if any is granted, shall be in accordance with the following schedule:

1) for conversions that were completed less than twelve (12) months but greater than six (6) months before the issuance of a savings bank charter, 25 percent may be waived; and

2) for conversions that were completed less than six (6) months before the issuance of a savings bank charter, 50 percent may be waived.

Section 1075.140 Adjusted Supervisory Fees

a) The Commissioner shall receive and there shall be paid to the Commissioner an additional fee as an adjustment to the supervisory fee specified in Section 1075.130 of this Part, to be based upon the difference between the total assets of each savings bank and each service corporation as shown by its financial report filed with the Commissioner for the reporting period of the calendar year ended December 31 on which the supervisory fee was based, and the total assets of each savings bank and each service corporation as shown by its financial report filed with the Commissioner for the reporting period of the calendar year ended December 31 in which the

quarterly payments referred to in Section 1075.130 of this Part are made according to the following schedule: 22.5¢ per $1,000 of the first $2,000,000 of total assets, 20.25¢ per $1,000 of the next $3,000,000 of total assets, 18.0¢ per $1,000 of the next $5,000,000 of total assets, 15.75¢ per $1,000 of the next $15,000,000 of total assets, 13.5¢ per $1,000 of the next $25,000,000 of total assets, 11.25¢ per $1,000 of the next $50,000,000 of total assets, 9.0¢ per $1,000 of the next $400,000,000 of total assets, 6.75¢ per $1,000 of the next $500,000,000 of total assets, and 4.5¢ per $1,000 of all total assets in excess of $1,000,000,000 of such savings bank or service corporation. In the situation where service corporations and/or finance subsidiaries are owned by the savings bank, the owned assets may be consolidated with the assets of the savings bank for calculation of this fee. If the finance subsidiary is not active and is in the form of a Collateralized Mortgage Obligation or a similar vehicle, the Commissioner shall waive that portion of the fee attributed to the finance subsidiary.

b) Adjusted supervisory fees shall be remitted on March 31 of the next calendar year. In the event the total assets of each savings bank and each service corporation as reported on the earlier financial report are more than the total assets as reported on the later annual report, the Commissioner shall credit the next quarterly remittance of the supervisory fee in the same proportion.

c) In the event the state charter is converted or otherwise surrendered during the year, the Commissioner shall determine the supervisory fee based on the total assets of the savings bank as of the month-end immediately preceding the cancellation of the state charter, except that the measurement date may be another date at the discretion of the Commissioner in the event a savings bank elects to liquidate. In determining whether to set another measurement date, the Commissioner shall consider the following elements: whether the savings bank is undergoing a planned liquidation (where a savings bank elects to not continue operations); or, the savings bank has transferred significant assets (more than 1/2 of 1 percent of the total assets at the previous measurement date).

SUBPART B: DEFINITIONS

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Section 1075.200 Definitions

Words or terms that are defined in The Act shall retain the same meaning when used in this Part.

"COMPANY" means any corporation, partnership, business trust, association, or similar organization, or any other trust unless by its terms it must terminate within twenty-five (25) years or not later than twenty-one (21) years and ten (10) months after the death of individuals living on the effective date of the trust, but shall not include any corporation the majority of the shares of which are owned by the United States or by any state.

"CONTROLLING INTEREST" means a person, or company has a controlling interest in a proposed savings bank, a lender, or a company, if the person, or company:

directly or indirectly or acting through one or more other persons or companies owns, controls, or has power to vote 25 percent or more of any class of voting securities at the proposed savings bank, lender, or company; or

controls in any manner the election of the majority of the directors or trustees of the proposed savings bank, lender, or company; or

the Commissioner determines, after a hearing, that the company directly or indirectly exercises a controlling influence over the management policies of the proposed savings bank, lender, or company; or

directly or indirectly or acting through one or more other persons or companies, owns, controls, or has power to vote 25 percent or more of any class of securities that invests the owner, controller, or voter with the right to vote to approve or disapprove of voluntary corporate changes and amendment of the Articles of Incorporation and bylaws.

"LENDER" means a secured or unsecured creditor or creditors named as such in the debt obligation and documents, creating any security interest.

SUBPART C: REPORTS

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Section 1075.300 Contracts

a) A savings bank entering into a contract, except employment contracts, loans on savings accounts, or contracts with consideration of less than twenty-five thousand dollars ($25,000.00), with any of the following:

1) any person owning 10 percent or more of the outstanding shares of stock of the savings bank, if that savings bank issues stock; or

2) any director, officer, employee, agent, or attorney of the savings bank; or

3) any representative, partner or immediate relative of an officer, director or 10 percent shareholder of the savings bank or savings bank holding company; or

4) any corporation in which any of the above persons have a 10 percent interest; or

5) any trust in which any of the above persons have an interest, shall forward a copy of such contract to the Commissioner within ten (10) days after the execution of such contract.

b) Any savings bank knowingly entering into a contract with a director, officer, or a 10 percent or more shareholder of any other financial institution either directly or with a corporation or trust in which such director, officer, or 10 percent or more shareholder owns 10 percent or more of the voting stock of that corporation, or has a beneficial interest in that trust, shall forward a copy of such contract to the Commissioner within ten (10) days after the execution of such contract.

c) Every contract entered into by a savings bank of a kind or nature stated in subsection (a) or (b) above, shall be approved by the board of directors of that savings bank, and such approval shall be reflected in the minutes of the meeting of the board of directors and kept on file at the savings bank.

Section 1075.310 Financial Reports

Each savings bank shall file monthly and quarterly financial reports on such forms as are prescribed by the Commissioner. Such

reports shall be delivered to the Commissioner by the twentieth (20) day of the month following the month end or fiscal quarter end for which the report applies. Any savings bank that fails to submit required reports in the time prescribed by this Section shall be subject to fine as provided for in The Act.

SUBPART D: OPERATIONS

Section 1075.400 Capital Stock

a) A savings bank proposing to adopt an amendment to its Articles of Incorporation to provide for the issuance of capital stock pursuant to Section 5004 of The Act shall comply with Sections 4002, 5003, and 8001 of The Act. In addition, the following shall be filed with the Commissioner:

1) one certified copy of the board of directors' resolution adopting the proposed amendment to the Articles of Incorporation, which amendment shall incorporate the Plan of Conversion from mutual to stock form of ownership; and

2) one copy of all forms, filings and amendment thereto necessary to comply with applicable Federal Deposit Insurance Corporation regulations.

b) Upon receipt of all documents enumerated in subsection (a) above, the Commissioner shall issue a Certificate of Approval of amendment to the Articles of Incorporation.

Section 1075.410 Minimum Capital Requirement

a) The Commissioner may establish a minimum capital level for a savings bank at such amount or at such ratio of capital-to-assets as the Commissioner determines to be necessary or appropriate in consideration of the circumstances of the savings bank.

b) For a financial institution applying to convert to a savings bank charter, the Commissioner may accept as being in full compliance with Section 5001 of The Act a financial institution with less than the minimum capital required therein if the financial institution has an approved capital plan under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 1464(5)(s)(5)), and the Commissioner finds that the financial institution is otherwise being operated in a

safe and sound manner. Such determination shall be made after review of financial reports and statements, reports of examination and other such information as the Commissioner shall consider necessary for making a determination that the financial institution is being operated in a safe and sound manner.

Section 1075.415 Conflicting Federal Powers, Law and Regulations

With regard to the exercise of any power derived from Section 1006(a) of The Act, and in case of conflict between The Act and any other statute or regulation from which a power is derived under Section 1006(a) of The Act, or in cases where clarification is sought regarding the manner of exercising a derived power, its context or the limits to be observed in its exercise, The Act, the Federal Deposit Insurance Act (12 C.F.R. 300 et seq.) and the Federal Deposit Insurance Corporation Rules (12 U.S.C. 1811 et seq.) shall prevail.

Section 1075.420 Advertising

If a savings bank advertises a rate of return on any class of deposit account and there are restrictions or conditions which must be complied with in order for the investor to be entitled to receive such rate, such advertising shall clearly set forth such restrictions or conditions. The terminology shall be consistent with Section 7001 of The Act.

Section 1075.430 Maintenance of Records

To enable the Commissioner to examine a savings bank, holding company, service corporation or affiliate of a savings bank pursuant to Section 9004 of The Act, each savings bank shall establish and maintain accounting and other records of all business transacted, and the documents, files and other material comprising such records shall at all times be available for examination wherever any of such files, documents or materials may be. At a minimum, a savings bank and service corporations shall establish and maintain the following records.

a) Disbursement Records

A savings bank's funds shall be disbursed in accordance with a resolution adopted by the board of directors and reviewed at least annually. Each disbursement shall be documented to show the date, the amount and the purpose of the disbursement and the names of the person or persons or other entities

receiving such disbursements whether paid directly, indirectly or through an escrow.

b) Record Retention

1) Before approving any loan or issuing any commitment, a savings bank shall determine that every person that proposes to become liable to the savings bank has the financial ability to service the proposed debt. The procedure for determining the financial capacity of every person that proposes to become liable to the savings bank shall be in accordance with procedures adopted by the board of directors and reviewed at least annually. Thereafter, a savings bank shall retain the application and other documentation supporting each loan, as well as the complete servicing record, as part of the records of the savings bank throughout the duration of the savings bank's investment in the respective loan.

2) A savings bank shall retain each rejected loan application and the information in support thereof for a period of thirty-six (36) months following such rejection.

c) The Savings Bank shall:

1) require every borrower that is:

A) a trust to provide a certification by the trustee listing the current beneficiaries of the trust;

B) a corporation to provide a certification by the corporate secretary listing the names and percentage of ownership of all 10 percent or more shareholders; and

C) a partnership to provide a certified list of partners.

2) retain such documents as a part of the savings bank's records and that shall be maintained throughout the duration of the savings bank's investment in the respective loan.

d) The approval for any loan or other investment made, or to be made, by a savings bank shall be given only by

persons authorized by a resolution adopted by the board of directors at least annually. The conditions of approval and the signature of the person or persons granting such approval shall become a part of the savings bank's records.

e) No disbursement shall be made on any loan or other investment until the loan or other investment is entered on the books of the savings bank and is in compliance with this Part.

f) Loan Registers

1) A savings bank shall maintain one or more loan registers which shall contain the original entry and be a permanent record, and shall show for every loan the account number, date of the loan, amount of the loan, name of the borrower, nature of security by types, the amount of fees, the amount of the note, including precomputed loans, rate of interest, the term of the loan, and such other information as desired by the savings bank.

2) All loan registers shall be kept numerically by number of loans in order made.

g) Loans Secured By Real Estate

1) An application for the loan, signed by the borrower or its agent, in such form and containing such information as will disclose the purpose for the loan, that is construction, purchase, refinancing, and the identity of any security property.

2) A note evidencing the borrower's debt to repay the amount of the loan, executed by the borrower or its agent.

3) A copy of the deed of trust or mortgage instrument on the real estate or other document customarily used in the jurisdiction in which the real estate security is located, evidencing the creation of a security interest in the real estate for the benefit of the lender, which deed of trust, mortgage instrument, or other document has been signed by the borrower or the borrower's agent; and, if the loan is made to finance the purchase of the real estate security for the loan, a signed statement by the

borrower or its agent, as part of or as an attachment to the application for the loan, disclosing the purchase price of such real estate security.

4) One or more written appraisal reports, prepared at the request of the lender or its agent and for the lender's use, and signed before the approval of such application (except in the case of an approval conditioned upon obtaining an appraisal) that satisfies the requirements of Section 6001 of The Act, or, if such loan is an insured loan or a guaranteed loan, a certification of the valuation assigned to real estate security by the appraiser accepted by the insuring or guaranteeing agency and furnished to the lender by such agency.

5) Documentation showing the financial ability of the borrower to repay the loan, or a written credit report prepared by the savings bank or by others at the request of the savings bank.

6) Documentation showing when and by whom such loan was approved and any terms of such approval.

7) Documentation showing the date, amount, purpose, the recipient of every disbursement of the proceeds of such loan, and to the best of the lender's knowledge, any actual recipient of any proceeds when the stated recipient is acting as an agent or intermediary for another.

8) An opinion signed by the lender's attorney, a title insurance policy, or other documentary evidence customarily used in the jurisdiction in which the real estate security is located, affirming the quality and validity of the lender's lien on the real estate security for the loan.

9) Documentation showing that the savings bank, upon the closing of the loan, furnished to the borrower, a loan settlement statement setting forth in detail the charges or fees the borrower has paid or is obligated to pay to such savings bank or to any other concern or person in connection with the loan, which documentation shall include a copy of the loan settlement statement.

10) A record showing the status and current payment of taxes, assessments, insurance premiums, other charges on the security for the loan, and documenting any loss incurred on the loan security, as well as any amounts recovered pursuant to an insurance settlement of such loss.

11) Documentation evidencing any modifications of the original documents by which a security interest for the benefit of the lender was created, showing appropriate approval of each party to such modification.

12) Documentation evidencing any release of any portion of the collateral pledged to secure the loan, showing the portion of the collateral released, the consideration, if any, paid to effect such release, and a record of the appropriate approval of each such release.

h) Loans Not Secured By Real Estate

The records with respect to each unsecured loan or loan not secured by real estate that the savings bank makes shall include the documents referred to in subsection (g) above. If the loan is secured by collateral other than real estate, the lender's records also shall include documents evidencing the creation and perfection of a security interest in the collateral, including any financing statement. In addition, if the loan is made to a business entity, the records shall include documentation showing whether the obligor on the loan can generate sufficient cash flow to meet scheduled interest and debt reduction payments, and if not sufficient, the records shall include documentation demonstrating the anticipated source of the borrower's payments.

i) Records With Respect to the Acquisition of Mortgaged Security

A savings bank shall maintain a record which discloses every instance that it commences action to acquire the real estate security for a loan, by foreclosure or otherwise, and the ultimate disposition of such action. Such record shall include identification of the real estate security and loan, shall itemize all fees and charges

incurred in such action, shall name the recipient or recipients to whom any such fees and charges were paid, and shall identify the holder of title to such real estate as a result of such action.

j) Records with Respect to Deposit Accounts

The records of a savings bank with respect to each deposit account it issues shall include the signature of the owner of such account or the duly authorized representative of such owner, together with a record reflecting the balance in such account. Notwithstanding the preceding requirement, no account signature card for a trust executed by its trustee(s) of information disclosing the names of the settlor or trustee(s) of the trust need be maintained in the record of a savings bank.

k) Minutes of Meetings

All minutes of meetings of the board of directors, committees of the board of directors and management committees shall be maintained at the corporate offices of the savings bank. All minutes of meetings of the board of directors of a savings bank shall be recorded in books with prenumbered pages. The use of any non-consecutively numbered page shall be supported by a signed affidavit from the corporate Secretary indicating the reason for the use of non-consecutively numbered pages.

l) Transfer of Records

A savings bank shall not transfer the location of any of its general accounting or control records from its home office to a branch or other office, or from a branch or other office to its home office or to another branch or office unless the savings bank has sent prior written notice of such transfer to the Commissioner.

m) Data Processing

1) A savings bank which maintains it records by a data processing service shall, before establishing such service, notify the Commissioner in writing. Such notice shall be delivered at least ninety (90) days before the date on which such maintenance of records

will begin. Such notification shall include identification of the records to be maintained by data processing services and a statement as to the location at which such information will be maintained. Any contract shall expressly provide that the records to be maintained by such services shall at all times be available for examination by the Commissioner.

2) A savings bank's data processing service center shall provide, annually, a copy of the third party audit review, if performed.

Section 1075.440 Business Plan

a) All savings banks whose operations are considered unsafe or unsound by the Commissioner pursuant to The Act or who have total capital less than the amount required under Section 5007 of The Act, or any condition which would endanger the ongoing viability of the savings bank, shall develop a business plan and have the same available for review by the examiners. The period covered by the business plan shall not be less than one (1) year, but may be for any greater number of periods that the Commissioner may require. Each such plan shall contain the following:

1) introduction;

2) mission statement;

3) corporate objectives;

4) corporate strategies; and

5) financial projections for the period covered by the business plan.

b) The savings bank's business plan shall be reviewed to determine its continued viability in accordance with current economic conditions and approved or revised, as determined by the board of directors, at least annually.

Section 1075.450 Excess Insurance

a) Section 1005 of The Act allows savings banks to secure deposit insurance in excess of the amounts available under federally sponsored programs. Such excess

insurance may be obtained only through an entity authorized to do business in this State and which is under the regulation of the Illinois Department of Insurance. Providers of excess insurance must be pre-approved by the Commissioner. Each approved insurer shall be found to be financially sound and to employ approved actuarial practices.

b) Before entering into an agreement to obtain excess insurance a savings bank must notify the Commissioner of its intent. Such notice shall include a copy of the proposed contract and sufficient information regarding the proposed insurer to allow the Commissioner to determine as to the financial stability of the proposed insurer. The Commissioner shall have thirty (30) days in which to notify the savings bank of any objection(s) that the Commissioner may have. Any request for additional information that the Commissioner may make shall be made within twenty (20) days of receipt of the notice. Failure of the Commissioner to notify the savings bank within the thirty (30) days as prescribed above shall constitute a finding of no objection.

c) To obtain approval from the Commissioner, any prospective provider of excess insurance shall agree to provide the Commissioner with any information he considers necessary to determine as to the current and continuing financial condition of the proposed insurer. This information shall include but not be limited to the following:

1) quarterly financial reports;

2) report of audit conducted by an independent certified public accountant;

3) copies of minutes of board of directors' meetings; and

4) copies of examination reports made by examiners for any regulatory agency.

d) Any insurer shall agree as a condition of approval to submit to examination by the Commissioner. The cost of any such examination shall be paid by the insurer. The cost of the examination shall be based on the same fee schedule that applies to savings banks.

Section 1075.455 Vacancies in the Board of Directors

If one (1) or more vacancies occur on a board of directors of a savings bank, the remaining directors may continue management of the savings bank, including consenting to any enforcement actions or any other regulatory or supervisory requirements. If the number of directors falls below five (5), the remaining directors or the officers of the savings bank shall so inform the Commissioner within five (5) business days of the loss of the fifth director. The remaining directors shall elect temporary directors at the next regular or special meeting of the board of directors. Temporary directors' terms shall expire at the next regular or special meeting of voting members of the savings bank.

Section 1075.460 Bond of Officers, Directors, Employees and Agents

Every savings bank shall maintain bond coverage with a bonding company acceptable to the Commissioner for every officer, director, employee and agent of the savings bank or such other persons in positions requiring the receipt, payment, management or use of money belonging to the savings bank or whose duties permit or require access to or custody of a savings bank's assets or require the making of entries on the books and records of the savings bank.

a) Bond Schedule. The minimum amount of such bond shall be based on total consolidated assets of the savings bank and its subsidiaries in accordance with the following schedule:

Total Assets	Minimum Coverage
Less than $1,000,000	$135,000.
$ 1,000,001 to $ 10,000,000	$135,000 plus $25,000 for each $1,000,000 or fraction thereof over $1,000,000.
$ 10,000,001 to $ 50,000,000	$360,000 plus $50,000 for each $5,000,000 or fraction thereof over $10,000,000.
$ 50,000,001 to $500,000,000	$760,000 plus $75,000 for each $25,000,000 or fraction thereof over $50,000,000.
Over $500,000,000	$2,110,000 plus $100,000 for each

$50,000,000 over $500,000,000.

b) No savings bank shall be required to maintain bond coverage in an amount greater than $3,000,000.

c) Coverage in excess of the above minimum requirements is optional at the discretion of the board of directors of the savings bank.

d) The bond shall not provide for more than one deductible from all losses caused by the same person or caused by the same persons acting in collusion or combination in cases in which such losses result from dishonesty. A deductible shall not exceed an amount determined in accordance with the following schedule:

Total Capital	Permissible Deductible
Less than 4 percent of total assets	10 percent of total capital.
Greater than 4 percent but less than 6 percent of total assets	15 percent of total capital.
Greater than 6 percent of total assets	20 percent of total capital.

e) The bond shall be in the form known as Standard Form No. 22, Standard Form No. 24 or an equivalent as determined by the Commissioner.

Section 1075.465 Indemnification of Officers, Directors, Employees and Agents

a) No officer, director, employee, or agent of a savings bank may be indemnified by a savings bank against any expense incurred, if the officer, director, employee or agent:

1) is subject to an Order of Removal, Suspension, or Industrywide Prohibition under The Act or these rules; or

2) is subject to a final order assessing civil money penalties or requiring affirmative action by an individual or individuals in the form of payments

to the savings bank.

b) In accordance with supervisory responsibilities, the Office of the Commissioner may, in his or her discretion, review the threat to bank safety and soundness posed by any indemnification or proposed indemnification of officers, directors, employees, or agents by a savings bank or for the consistency of any such indemnification with the standards adopted by that savings bank in its articles. Based upon this review, the Commissioner may direct a modification of a specific indemnification by a savings bank through administrative action.

Section 1075.470 Deceptively Similar Names

a) No savings bank may adopt or use any name deceptively similar to that of another current existing savings bank or financial institution that is located within the area as defined as follows:

1) within the counties of Cook, Lake, DuPage, McHenry, Kane and Will, a radius of one mile of the main office of another savings bank or other financial institution; and

2) within all other counties of the State, excluding those specifically identified in subsection (a) above, a radius of 50 miles of a savings bank or other financial institution.

b) For purposes of Subpart D of this Part the determination of the deceptive similarity of a name shall be made by the Commissioner or such other person or persons as are authorized to act on the Commissioner's behalf.

c) A savings bank chartered under The Act must use the words "Savings Bank" or the initials "SB" in its name.

Section 1075.480 Manner of Display of Annual Meeting Notice

Notice as required pursuant to Section 4003(a) of The Act shall be displayed and take such form as required in the following:

a) on a sign, poster, or paper no smaller in size than 8 1/2 inches by 11 inches;

b) with bold print no smaller than 12 points; and

c) located in plain view of customers at each business location with at least one (1) copy on or near each door or entrance accessible to the general public.

Section 1075.490 Procedures for Exercise of Dissenters Rights

Pursuant to Section 4012(c) of The Act, the procedures to be used by savings banks and dissenters in arriving at a value and price for dissenters' shares, as well as how distribution shall be made shall be as follows.

a) Within ten (10) days after the date on which the action giving rise to the right to dissent is effective or thirty (30) days after the shareholder delivers to the savings bank the written demand for payment, whichever is later, the savings bank shall send each shareholder who has delivered a written demand for payment a statement setting forth the opinion of the savings bank as to the estimated value of the shares, the savings bank's latest balance sheet as of the end of a fiscal year ending not earlier than sixteen (16) months before the delivery of the statement, together with the statement of income for that year and the latest available interim financial statements, and either a commitment to pay for the shares of the dissenting shareholder at the estimated value thereof upon transmittal to the savings bank of the certificate or certificates, or other evidence of ownership, with respect to such shares, or instructions to the dissenting shareholder to sell his or her shares within ten (10) days after delivery of the savings bank's statement to the shareholder. The savings bank may instruct the shareholder to sell only if there is a public market for the shares at which the shares may be readily sold. If the shareholder does not sell within such ten (10) day period after being so instructed by the savings bank, for purposes of this Section, the shareholder shall be deemed to have sold his or her shares at the average closing price of such shares, if listed on a national exchange, or the average of the bid and asked price with respect to such shares quoted by a principal market maker, if not listed on a national exchange, during such ten day period.

b) If the shareholder does not agree with the opinion of the savings bank as to the estimated value of the shares, the shareholder, within thirty (30) days from the delivery of the savings bank's statement of value, shall notify

the savings bank in writing of the shareholder's estimate of value and demand payment for the difference between the shareholder's estimate of value and the amount of the payment by the savings bank or the proceeds of sale by the shareholder, whichever applies because of the procedure for which the savings bank opted pursuant to subsection (a) above.

c) If, within sixty (60) days from delivery to the savings bank of the shareholder notification of estimate of value of the shares, the savings bank and the dissenting shareholder have not agreed in writing upon the value of the shares, the savings bank shall either pay the difference in value demanded by the shareholder or file a petition in the circuit court of the county in which either the registered office or the principal office of the savings bank is located, requesting the court to determine the fair value of the shares. The savings bank shall make all dissenters, whether residents of this State, whose demands remain unsettled parties to the proceeding as an action against their shares and all parties should be served with a copy of the petition. Nonresidents may be served by registered or certified mail or by publication as provided by law. Failure of the savings bank to commence an action pursuant to this Section shall not limit or affect the right of the dissenting shareholders to otherwise commence an action as permitted by law.

d) The jurisdiction of the court in which the proceeding is commenced under subsection (c) above by a savings bank is plenary and exclusive. The court may appoint one or more persons as appraisers to receive evidence and recommend decision on the question of fair value. The appraisers have the power described in the order appointing them, or in any amendment to it.

e) Each dissenter made a party to the proceeding is entitled to judgment for the amount, if any, by which the court finds that the fair value of his or her share exceeds the amount paid by the savings bank or the proceeds of sale by the shareholder, whichever amount applies. The judgment shall include an allowance for interest at such rate as the court may find to be fair and equitable in all the circumstances, from the date on which the corporate action giving rise to the right to dissent is approved to the date of payment.

f) The court, in an appraisal proceeding commenced under subsection (c) above, shall determine all costs of the proceeding, including the reasonable compensation and expenses of the appraisers, if any, and experts employed by any party, but shall exclude the fees and expenses of counsel for any party. If the fair value of the shares as determined by the court materially exceeds the amount which the savings bank offered to pay for those shares, or if no offer was made, then all or any part of such expenses may be assessed against the savings bank. Except as otherwise provided in this Section, the practice, procedure, judgment and costs shall be governed by the Code of Civil Procedure (Ill. Rev. Stat. 1989, ch. 110, par. 1-101 et seq.).

SUBPART E: INVESTMENTS

Section 1075.500 Prudent Person Rule

a) When making an authorized investment of savings bank funds, the board of directors, all officers, employees, and agents of any kind must exercise the judgment and care under circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

b) A violation of The Act shall constitute an unsafe and unsound practice. Any person who knowingly violates any provision of The Act shall be subject to enforcement action or civil money penalties as provided for in The Act.

Section 1075.505 Investment Underwriting Practice

A savings bank may grant a loan or invest in other authorized assets under The Act.

a) For all types of secured and unsecured loans granted, and other investments entered into, a savings bank's board of directors shall establish and approve, at least annually, written loan underwriting and other investment policies and procedures. These policies and procedures shall set forth criteria sufficient to allow a decision to be made in accordance with Section 1075.500 of this Part.

b) Documentation for each loan and other investment shall identify the specific statutory and/or regulatory provision under which it was approved.

c) A loan or other investment may be apportioned among appropriate categories, and may be moved, in whole or part, from one category to another as follows.

1) To classify a loan as a real estate loan, a savings bank must rely substantially upon the real estate as the primary security for the loan.

2) For purposes of determining whether aggregate investments under this Part exceed an applicable percentage-of-assets limitation, a loan commitment shall be counted as an investment and shall be included in total assets of a savings bank only to the extent that funds have been advanced (and not repaid) pursuant to the commitment. The term "loan commitment" used in the preceding sentence includes a loan in process, a letter of credit, or any other commitment to extend credit.

3) Loans sold to a third party shall be included in calculation of a percentage-of-assets investment limitation only to the extent they are sold with recourse.

4) A savings bank may make a loan secured by assignment of loans to the extent that it could, under applicable law and regulations, make or purchase the underlying assigned loans.

d) The written policies and procedures pertaining to loans secured by collateral other than real estate, mobile home chattel paper, or the cash surrender value of life insurance shall provide specific procedures for determining the value of the respective collateral. The procedures shall provide that every appraisal, or reappraisal, shall be made by an independent qualified appraiser, designated by the board of directors. The appraiser must be properly licensed and certified by the entity authorized to govern licensure and certification of appraisers and must meet the requirement of the Appraisal Subcommittee pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. 3331 et seq.) as defined in Section 6001(g) of The Act.

COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE

NOTICE OF ADOPTED RULES

Section 1075.510 Discrimination and Redlining

a) It shall be considered discriminatory to refuse to grant loans or to vary the terms of loans or the application procedures for loans because of:

1) the proposed borrower's race, color, religion, national origin, age, sex, physical disability or marital status; or

2) the geographic location of the proposed mortgage loan security.

b) A presumption of discrimination shall be attached to any inquiry regarding a loan authorized by the savings bank's board of directors when:

1) a savings bank refused to accept a written application; or

2) a loan application is rejected and not supported by adequate documentation which includes information sufficient to permit an informed non-interested party to reach the same conclusion as the lender concerning the disposition of the application.

c) In cases of a savings bank's non-compliance with Subpart E of this Part, the Commissioner, by written notice, shall require that all inquiries for loans received from proposed borrowers be accepted in writing on application forms that provide information sufficient to make an informed decision concerning the final disposition of the respective loan application. Thereafter, the savings bank shall submit a copy of each rejected application to the Commissioner with a written statement setting forth the reason for rejecting the application, and a copy of each document supporting the decision.

d) A savings bank shall be required to comply with the Commissioner's directive issued pursuant to subsection (c) above for a minimum of six (6) months. Should a presumption of discrimination exist at the close of the six-month period, the respective savings bank shall be required to continue such reporting until such later date when the Commissioner, by examination, determines that discriminatory practices have ceased and the savings bank is so notified.

COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE

NOTICE OF ADOPTED RULES

Section 1075.515 Loans Secured by Real Estate

a) A savings bank may originate, invest in, sell, purchase, service, participate, or otherwise deal in (including brokerage or warehousing) real estate loans or interest in such loans.

b) In determining compliance with the maximum loan-to-value limitations specified in Subpart E of this Part, a savings bank shall add to the loan amount the total of all other existing liens or other encumbrances on the security property having priority over the savings bank lien (including the lien to be established by the savings bank but excluding liens that will be released as the result of payments made from the proceeds of the new loan).

c) At the time of origination, a real estate secured loan granted under the provisions shall not exceed the maximum loan-to-value ratio as follows.

1) At the time of origination, a real estate loan may not exceed 95 percent of the market value of the security property. A savings bank shall, by a vote of its board of directors, establish maximum loan-to-value ratios for loans made on the security of real estate, and the resolution adopting such ratios shall be included in the minutes of the directors' meeting. Home loans made on the combined security of real estate and savings accounts may be made in excess of the maximum loan-to-value ratios adopted pursuant to this Section with such excess secured by the savings account. However, for loans originated in excess of 90 percent of the initial appraised value of the security property, the savings account shall consist only of funds belonging to the borrower, the borrower's family, or the borrower's employer.

2) With respect to home loans originated or refinanced in excess of 90 percent of the appraised value of the security property, that part of the unpaid balance that exceeds 80 percent of the property's value shall be insured or guaranteed by a mortgage insurance company that this Office has determined to be a "qualified private insurer."

3) With respect to all other loans on the security of

real estate originated in excess of 90 percent of the appraised value of the security property, a savings bank's board of directors shall approve each such loan before its origination and such approval shall be recorded in the minutes of its meeting.

4) In determining compliance with the maximum loan-to-value ratio limitations for real estate loans, at the time of making a loan a savings bank shall add together the unpaid amount, or in the case of a line-of-credit loan the approved credit limit, of all recorded loans secured by prior mortgages, liens or other encumbrances on the security property that would have priority over the savings bank's lien, and shall not make such a loan unless the total amount of such loans (including the one to be made but excluding loans that will be paid off out of the proceeds of the new loan) does not exceed the applicable maximum loan-to-value ratio limitations prescribed in subsection (c) above. In valuing the real estate security, a savings bank shall use the current appraised value of the security property, which may include any expected value of improvements to be financed. "Value" for a real estate loan means the market value of the real estate.

5) At origination, the loan balance may not exceed the maximum loan-to-value ratios established pursuant to this Part. During the term of the loan, the loan-to-value ratio may increase above the maximum permissible percentage if the increase results from an adjustment authorized by subsection (c) or subsection (c)(1) above. The Office will assume continued compliance with the loan-to-value limitations where the original ratio met the requirements of subsection (c) above, but in no event may the loan balance exceed 100 percent of the original appraised value of the property during the term of the loan, unless pursuant to subsection (c)(6)(B)(i) of this Section or unless the loan contract provides that the payment shall be adjusted at least once every five (5) years, beginning not later than the tenth (10th) year of the loan, to a level sufficient to amortize the loan at the then-existing interest rate and loan balance over the remaining term of the loan. If, at maturity of a home loan that provides for adjustments pursuant to subsection (c)(6) of this Section, the ratio of the

loan balance to the current market value of the security property exceeds the maximum permissible under this Part, the savings bank may offer to refinance the loan if:

A) it complies with subsection (c)(2) above; and

B) the loan contract requires that, in addition to full or partial amortization of the loan, the pro-rata portion, based on the number of installments due annually, of estimated annual taxes and assessments on the security property be paid in advance to the savings bank with each installment payment.

6) Adjustments - for any home loan secured by borrower-occupied property, or property to be occupied by the borrower, adjustments to the interest rate, payment, balance, or term to maturity shall comply with the limitations of subsection (c)(5) above.

A) Adjustments to the interest rate shall correspond directly to the movement of an interest rate index or of a national or regional index that measures the rate of inflation or the rate of change in consumer disposable income, which index is readily available to and verifiable by the borrower and is beyond the control of the savings bank. A savings bank also may increase the interest rate pursuant to a formula or schedule that specifies the amount of the increase, the time at which it may be made, and which is set forth in the loan contract. A savings bank may decrease the interest rate at any time.

B) Adjustments to the payment and the loan balance that do not reflect an interest rate adjustment may be made if:

i) the adjustments reflect a change in a national or regional index that measures the rate of inflation or the rate of change in consumer disposable income is readily available to and verifiable by the borrower, and is beyond the control of the savings bank;

ii) in the case of a payment adjustment, the adjustment reflects a change in the loan balance or is made pursuant to a formula, or to a schedule specifying the percentage or dollar change in the payment as set forth in the loan contract; or

iii) in the case of an open-end line-of-credit loan, the adjustment reflects an advance taken by the borrower under the line-of-credit and is permitted by the loan contract.

C) Any combination of indices or a moving average of index values may be used as an index, and a savings bank may use more than one index during the term of a loan, if set forth in the loan contract.

D) In the case of an open-end line-of-credit loan, notice of an adjustment to the payment or the balance need not be given if the adjustment reflects advances taken by the borrower under the line of credit, and advance notice of a change in the interest rate permitted by the loan contract (and any resulting change in the payment) need not be given. In the case of a non or partially-amortized loan, (including a loan with a "call" provision), a savings bank shall provide the borrower with notice of maturity at least ninety (90) but not more than one hundred-twenty (120) days before the date of expected maturity.

E) The loan term shall be adjusted only to reflect a change in the interest rate, the payment or the loan balance. A loan contract may provide a savings bank with the right to call the loan due and payable either after a specified number of years has elapsed following closing or upon the occurrence of a specified event external to the loan.

d) The loan-to-value limitations specified in subsection (c) above shall not apply to the following.

1) To loans guaranteed or insured wholly or in part by the United States or any of its instrumentalities.

2) To loans or contracts made to finance the purchase of real estate owned which has been acquired by the savings bank through default on a prior investment provided that the minutes of directors' meetings substantiate that such sale is made in compliance with the following:

A) the board of directors approved the specific terms of the loan or contract before the savings bank's issuance of a letter of commitment. If no letter of commitment is to be issued, such approval shall be before the execution of a note, mortgage, or contract for deed between the purchaser and the savings bank; and

B) the board of directors' resolution of approval of the respective sale specifically indicates why the sale is in the best interest of the savings bank and that said approval is given after duly considering the provisions of Subpart E of this Part;

C) the resolution identifies the specific documentation they have utilized in determining that the sale was in the best interest of the savings bank; and

D) all documentation used in evidencing compliance with Subpart E of this Part is retained as a part of the records of the savings bank for so long as the savings bank has a direct or indirect interest in the respective real estate.

3) Loans or contracts having additional eligible collateral pledged in an amount equal to that part of the loan or contract which is in excess of the lending limitations specified in subsection (c) above. Eligible collateral means:

A) any investment permissible for savings banks under The Act;

B) any savings or time deposit in a commercial bank which deposit is insured by the Federal Deposit Insurance Corporation and not under control of any supervisory authority; or

C) the cash surrender value of a life insurance policy validly assigned to the savings bank.

Section 1075.520 Construction Loans

Construction lending policies and procedures shall provide that

a) No disbursements shall be made unless in conformity with a sworn contractor's statement or amended statement, which statement or amended statement shall comply with the mechanics' lien laws of the State in which the collateral property is located and shall be kept on file at the savings bank throughout the duration of the savings bank's investment in the respective loan.

b) No construction funds shall be disbursed before receipt of a written statement indicating that the work for which payment is being requested has been completed. Such written statement shall be furnished by a person authorized by the board of directors.

c) No construction funds shall be disbursed unless approved by the borrower or the borrower's authorized agent. A blanket authorization may be accepted.

d) The savings bank shall at all times retain construction funds sufficient to complete the improvements in accordance with the contractor's sworn statement or amended statement.

e) Waivers of mechanics' liens shall be required and shall be delivered to the savings bank or its agent before each disbursement of construction funds unless a lien free form of title insurance policy is obtained before such disbursement.

Section 1075.525 Mobile Home Financing

a) Manufactured Home Chattel Paper - the term "manufactured home chattel paper" means a document evidencing an installment sales contract or a loan or interest in a loan secured by a lien on one or more manufactured homes and equipment installed or to be installed therein.

b) Manufacturer's Invoice Price - the term "manufacturer's invoice price" means a manufacturer's itemized charges, shown on its invoice, for a specifically identified manufactured home, furnishings, equipment, and

accessories installed by the manufacturer, and freight.

1) General Investment Authority - pursuant to Section 6002 of The Act, a savings bank may invest in manufactured home chattel paper and interests therein without limitation as to percentage of assets.

2) Inventory Financing - a savings bank may invest in manufactured home chattel paper which finances a manufactured home dealer's acquisition of inventory, if:

A) the inventory is held for sale by the dealer in its ordinary course of business;

B) the loan evidenced by the chattel paper is the dealer's debt; and

C) the loan amount does not exceed the following:

i) for new manufactured homes, 95 percent of manufacturer's invoice price for each manufactured home and equipment to be installed by the dealer; or

ii) for used manufactured homes, 75 percent of appraised market value or other generally accepted valuation of each manufactured home, including installed equipment.

3) Retail Financing

A) Insured and Guaranteed Loans - a savings bank may invest in retail manufactured home chattel paper that is insured or guaranteed, or that has a commitment for such insurance or guarantee.

B) Conventional Loans - a savings bank may invest in conventional retail manufactured home chattel paper if:

i) the manufactured home is located at a manufactured home park or other permanent or semi-permanent site;

ii) the manufactured home chattel paper is payable within twenty (20) years, in monthly payments which are substantially equal except to the extent that the financing complies with mortgage provisions authorized under The Act and Section 1075.515 of this Part; and

iii) the financed amount (excluding time-price differential or interest, however computed) does not exceed: in the case of a new manufactured home, 90 percent of the buyer's total costs, including freight, itemized set-up charges, sales or other taxes, filing and recording fees imposed by law and premiums for related insurance; or, in the case of a used manufactured home, 90 percent of appraised market value or other generally accepted valuation of the manufactured home plus sales and other taxes, filing and recording fees imposed by law, premiums for related insurance, and freight and itemized set-up changes, if any.

C) Combination Loans - a savings bank may invest in manufactured home chattel paper secured by combinations of manufactured homes and lots on the following terms.

i) Affixed Manufactured Homes - if the wheels and axles have been removed and the manufactured home is permanently affixed to a foundation, a loan secured by a combination of manufactured home and lot on which it sits may be treated as a home loan.

ii) Unaffixed Manufactured Homes - if the manufactured home is not affixed in the manner described in subsection (c)(3)(C)(i) above, a savings bank may make a loan secured by a combination of manufactured home and lot on which it is or is to be located if the financing complies with the requirements of subsection (c)(3)(B)(ii) above and the loan-to-value ratio does not exceed 75

percent of the appraised value of the lot and lot improvements and 90 percent of the buyer's total costs of the manufactured home (or valuation of used manufactured home) as defined in subsection (c)(3)(B) above.

4) Sale of Paper - all manufactured home chattel paper sold by a savings bank shall be sold without recourse.

Section 1075.530 Overdraft Loans

A savings bank may extend secured or unsecured credit to cover the payment of checks, drafts, or other funds transfer orders in excess of the available balance of an account on which they are drawn provided that the total of such extensions of credit plus unsecured or secured loans for business, corporate, commercial or agricultural purposes does not exceed 15 percent of total assets.

Section 1075.535 Education Loans

A savings bank shall invest, not to exceed 5 percent of its total assets, in loans, debts, and advances of credit made for the financing of primary, secondary, undergraduate or post-graduate education.

Section 1075.540 Vehicle/Automobile Loans

A savings bank may invest in loans, debts and advances of credit made for the purpose of financing vehicle/automobile purchases.

For the purposes of this Section, vehicles/automobiles shall include all motorized forms of transportation which the board of directors of a savings bank shall by written policy consider to be adequate collateral.

Section 1075.545 Home Equity Loans

Savings banks are permitted, without limitation on the percentage of total assets, to establish revolving lines of credit on the security of a first or junior lien on the borrower's personal residence, based primarily on the borrower's equity. The proceeds of such loan may be used for any purpose.

Section 1075.550 Letter of Credit

A savings bank is permitted to issue letters of credit provided

that the total funds advanced plus secured and unsecured loans for business, corporate, commercial, agricultural, or overdraft purposes does not exceed 15 percent of total assets.

a) The letter of credit must clearly indicate it as a letter of credit, that the issuer's debt to pay is solely dependent upon conforming documents, that the account party must have an unqualified obligation to reimburse the issuer for payments made, and include a specified expiration date or definite term.

b) The underwriting and documentation for a letter of credit must be in conformance with Section 1075.505 of this Part.

c) All documentation used in evidencing compliance with this Section is retained as part of the records of the savings bank for the term of the letter of credit.

Section 1075.555 Other Investments

Pursuant to Section 6003 of The Act, a savings bank is permitted to invest in loans secured by stock or equity securities, other than stock or equity securities of a financial institution, if the stock or equity security has a readily available market. Such investment shall not exceed 1 percent of the total assets of the savings bank.

Section 1075.560 Commercial Paper

a) A savings bank is permitted to invest in commercial paper to the extent that the total of loans for business, corporate, commercial, overdrafts and agriculture, plus corporate debt securities and commercial paper does not exceed 30 percent of the total assets of the savings bank.

b) Investments in commercial paper are limited as follows:

1) up to 1 percent of assets, or $1,000,000, whichever is more, in commercial paper of any one issuer rated, as of the date of purchase, in the highest category by a national rating service;

2) up to 1/2 of 1 percent of assets, or $500,000, whichever is more in commercial paper of any one issuer rated, as of the date of purchase, in one of the two highest categories by a national rating service; or

3) up to 1/4 of 1 percent of assets, or $250,000, whichever is more, in commercial paper of any one issuer rated, as of the date of purchase, in one of the four highest categories by a national rating service.

Section 1075.565 Financial Futures

a) Definitions as used in this Section apply unless the context otherwise requires.

"Financial Futures Transaction" means the purchase or sale of a financial futures contract.

"Forward Commitment" means a written commitment to make, purchase or issue mortgage loans or mortgage-related securities at a price and on or before a date specified in the commitment.

"Long Position" means the purchase of a financial futures contract to take delivery of a financial instrument.

"Mortgage-Related Securities" means securities based on and backed by mortgages, including mortgage-backed securities guaranteed by the Government National Mortgage Association ("GNMA's"), Mortgage Participation Certificates of the Federal Home Loan Mortgage Corporation, and similar obligations issued by a private issuer or in which the savings bank shall invest.

"Offset" means to cancel an obligation to make or take delivery of securities under a financial instrument under a financial futures contract. A futures contract to purchase a financial instrument is offset by a futures contract to sell a financial instrument of the same type for the same delivery month. A futures contract to sell a financial instrument is offset by a futures contract to purchase a financial instrument of the same type for the same delivery month.

"Short Position" means the holding of a financial futures contract to make delivery of a financial instrument.

b) Permitted Transactions - to the extent that it has legal power to do so, a savings bank may engage in interest rate futures transactions to reduce its net interest rate risk exposure as provided in this subsection. For purposes of this Section, net interest rate risk exposure is the volatility in a savings bank's earnings that can arise from the mismatching of the maturities of assets and liabilities. A savings bank may enter into short positions that are appropriate for reducing its net interest-risk exposure. A savings bank may enter into long positions, other than those that offset short positions, only under the following conditions.

1) The futures position must be matched against a firm forward commitment to sell mortgages not yet originated or to issue mortgage-related securities to be based on mortgages not yet originated. For purposes of subsection (b) above, a firm forward commitment is a written commitment obligating the seller to make delivery, and the buyer to take delivery of mortgage loans not yet originated or mortgage-related securities to be based on mortgages not yet originated, at a price and on or before a date specified in the commitment.

2) The futures position may be entered into and maintained only to the extent that the savings bank's firm forward commitments exceed 10 percent of long-term assets with fixed interest rates. For purposes of this Section, long-term assets are those having remaining terms to maturity in excess of five (5) years.

c) Authorized Contracts - savings banks may engage in interest rate futures transactions using any interest rate futures contracts designated by the Commodity Futures Trading Commission (CFTC) and based upon a financial instrument in which the savings bank has authority to invest in or to issue.

d) Board of Directors' Authorization - before engaging in interest rate futures transactions, a savings bank's board of directors must authorize such activity. In authorizing futures trading, the board of directors shall consider any plan to engage in financial futures transactions, shall endorse specific written policies, and shall require the establishment of internal control procedures. Policy objectives must be specific enough

to outline permissible contract strategies, taking into account price and yield correlations between assets or liabilities and the financial futures contracts with which they are matched; the relationship of the strategies to the savings bank's operations; and how such strategies reduce the savings bank's net interest rate risk exposure. Internal control procedures shall include, at a minimum, periodic reports to management, segregation of duties and internal review procedures. In addition, the minutes of the meeting of the board of directors shall set forth limits applicable to futures transactions, identify personnel authorized to engage in futures transactions, and set forth the duties, responsibilities and limits of authority of such personnel. The board of directors shall review the position limit, all outstanding positions, and the unrelated gains or losses on those positions at each regular meeting of the board.

e) Notification - a savings bank engaging in financial futures transactions shall notify the Commissioner that it is engaging in such transactions. The savings bank shall report its gross outstanding long and short financial futures positions on its monthly report.

f) Record Keeping Requirements - a savings bank engaging in financial futures transactions shall maintain records of such transactions sufficient to document how the transactions reduce the net interest rate risk exposure of the savings bank in accordance with the following requirements.

1) Contract Register - the savings bank shall maintain a contract register adequate to identify and control all financial futures contracts and including, at a minimum, the type and amount of each contract, the maturity date of each contract, the cost of each contract, the dollar amount and description of the asset or liability with which the futures contract is matched, and the date and manner in which a contract is closed out. Such register shall be prepared in a manner sufficient to indicate at any time the savings bank's total outstanding long and short financial futures positions.

2) Other Documentation - the savings bank shall maintain, as part of the documentation of its financial futures strategy, a schedule of the assets

and the liabilities for which net interest rate risk exposure is being reduced and the purpose of each contract entered into.

3) Maintenance of Records - the records designated in subsection (f) above shall be maintained for all futures transactions closed-out during the preceding two (2) years.

Section 1075.570 Financial Options

a) Definitions as used in this Section apply unless the context otherwise requires.

1) "Call" means an option which gives the holder the right to purchase a financial instrument at a price and on or before the expiration date specified in the option contract.

2) "Deliverable Instrument" means a financial instrument whose terms satisfy the requirements for fulfilling delivery obligations of an option.

3) "Effective Exercise Price" means the yield equivalent price of an instrument whose coupon rate differs from the standard instrument specified in the option.

4) "Financial Options Contract" means an agreement (other than an optional delivery forward commitment contract to purchase and sell mortgages or mortgage-backed securities when used as part of the mortgage loan origination process) to make or take delivery of a financial instrument upon demand by the holder of the contract at any time before the expiration date specified in the agreement, under terms established either by:

A) a board of trade designated as a contract market for the trading of option contracts by the CFTC or a national securities exchange registered with the Securities Exchange Commission (SEC); or

B) the savings bank and a "permissible counterparty," as defined in subsection (a)(10), that are counterparties in an over-the-counter option transaction (other than an

over-the-counter commodity option transaction subject to the jurisdiction of the CFTC that is not otherwise authorized under the Commodity Exchange Act (7 U.S.C. 1) and the regulations thereunder).

5) "Financial Options Transaction" means the purchase or sale of a financial options contract.

6) "Immediate Exercise Value" means the market value gained by exercising an option with the lowest cost deliverable instrument at its effective exercise price compared to purchasing (or selling) an identical instrument with the same coupon rate in the cash market.

7) "Long Position" means the holding of a financial options contract with the option to make or take delivery of a financial instrument.

8) "Option Commitment Fee" means the option premium minus the immediate exercise value of the option.

9) "Option Premium" means the price paid or received for establishing an option position.

10) "Permissible Counterparty" means any entity that is:

A) a primary dealer as defined in subsection (a)(11) of this Section;

B) a bank subject to the regulation and supervision of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, or the Board of Governors of the Federal Reserve System and that is in compliance with applicable regulatory capital requirements;

C) a savings bank that is subject to the regulation and supervision of this Office and is in compliance with applicable regulatory capital requirements or subject to the regulation and supervision of this Office;

D) a broker or dealer registered with the Securities and Exchange Commission ("SEC") and subject to regulation and supervision by a Registered Securities Association (registered

pursuant to Section 15A of the Securities and Exchange Act of 1934 (15 U.S.C. 78(o)) ("Exchange Act") or a National Securities Exchange (registered pursuant to Sections 6 and 19(a) of the Exchange Act) and that is in compliance with applicable capital requirements;

E) a government securities broker or dealer registered with the SEC that is subject to examination and supervision by a Registered Securities Association (registered pursuant to Section 15A of the Exchange Act) or National Securities Exchange (registered pursuant to Sections 6 and 19(a) of the Exchange Act) and that is in compliance with applicable capital requirements;

F) a futures commission merchant registered with the CFTC and that is in compliance with applicable capital requirements;

G) the Federal Home Loan Banks;

H) the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, or the Government National Mortgage Association; or

I) any other entity that the Commissioner, upon application, determines to be adequately regulated, capitalized, and audited or examined such that acting as a counterparty in an over-the-counter options transaction with a savings bank would not entail substantial credit risks for the savings bank. This Office delegates the authority to consider and approve such applications to the director of supervision, with the concurrence of the general counsel, or their respective designees.

11) "Primary Dealer in Government Securities" means any member of the Association of Primary Dealers in United States Government Securities and any parent, subsidiary, or affiliated entity of such primary dealer: provided, that the member guarantees (to the satisfaction of the Office) the over-the-counter financial options transactions between its parent, subsidiary, or affiliated entity with a

savings bank, and provided further, that the parent, subsidiary, or affiliated entity is substantially engaged in similar activities.

12) "Put" means an option which gives the holder the right to sell a financial instrument at a price on or before the expiration date specified in the financial options contract.

13) "Short Position" means a commitment through a financial options contract to stand ready during the term of the contract to make or take delivery of a financial instrument.

b) Permitted Transactions - to the extent that it has legal power to do so, a savings bank may engage in financial options transactions as follows:

1) Long Positions - a savings bank may enter into long positions without numerical limit.

2) Short Positions - a savings bank may enter into short call positions without numerical limit. If a savings bank meets its capital requirement, it may enter into short put options to the extent that the aggregate amount of its short put options and forward commitments to purchase securities does not exceed 15 percent of total assets. If capital requirements are not met, the savings bank may enter into short put options only with prior written approval from the Commissioner. Permission shall be granted if the Commissioner finds such investment is not for speculative purposes and that such investment is made in accordance with a well-defined hedging program adopted by the savings bank board of directors.

c) Authorized Contracts - a savings bank may engage in financial options transactions using any financial options contracts either:

1) designated by the CFTC or approved by the SEC; or

2) entered into with a "permissible counter-party", as defined in subsection (a)(10) above, and based upon a financial instrument that the savings bank has authority to invest in or to issue.

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d) Board of Directors' Authorization - before engaging in financial options transactions, a savings bank's board of directors must authorize such activity. In authorizing options, the board of directors shall consider any plan to engage in writing or purchasing financial options contracts, shall endorse specific written policies, and shall require the establishment of internal control procedures. For options positions that will be matched with cash or forward market positions, policy objectives must be specific enough to outline permissible options contract strategies, taking into account price and yield correlations between assets or liabilities and the financial options contracts; the relationship of the strategies to the savings bank's operations; the rationale for the ratio of the value of options positions to the value of the matched cash market positions; and how the options strategy reduces the savings bank's interest rate risk exposure. For unmatched option positions, policy objectives must specify the relationship of the strategy to the savings bank's operations. Prudent business judgment shall be exercised by participating savings banks engaging in financial options transactions to maintain a safe and sound financial position. Internal control procedures shall include, at a minimum, periodic reports to management, segregation of duties and internal review procedures. In addition, the minutes of the meeting of the board of directors shall set forth limits applicable to financial options transactions, identify personnel authorized to engage in financial options transactions, and set forth the duties, responsibilities and limits of authority of such personnel. The board of directors shall review the position limit, all outstanding options contract positions, and the unrealized gains or losses on those positions at each regular meeting of the board.

e) Notification, Reporting, and Approval

1) A savings bank shall notify the Commissioner immediately following authorization of its board of directors to engage in financial options transactions. The savings bank shall report its outstanding positions together with the total unrealized gain or loss from such positions to the Commissioner monthly.

2) A savings bank shall not engage in over-the-counter financial option transactions with any permissible

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counterparty unless such counterparty agrees to notify the Commissioner. A savings bank shall not continue to engage in over-the-counter financial option transactions with any permissible counterparty that has failed to so notify the Commissioner with respect to previous over-the-counter financial option transactions with that savings bank. Notwithstanding the foregoing, no savings bank shall engage in a long over-the-counter financial option transaction with a specific permissible counterparty, without obtaining the prior approval of the Commissioner, whenever the aggregate exercise value of all long over-the-counter financial option positions with the counterparty exceeds the limitations contained in Section 6013 of The Act. The Commissioner may approve any financial option transaction whenever it determines that such transaction does not subject the savings bank to undue risk. In making such determinations, the Commissioner shall consider:

A) the credit worthiness of the specific counterparty;

B) the savings bank's experience with such counterparty and with transacting in financial option and futures contracts generally;

C) the nature of the subject contracts (e.g., matched or unmatched); and

D) any other circumstances considered relevant by the Commissioner. An application to enter into a financial option transaction under this Section shall be considered approved if the Commissioner does not deny such application within ten (10) calendar days from the date the application was filed.

f) Record Keeping Requirements - a savings bank engaging in financial options transactions shall maintain records of such transactions in accordance with the following requirements.

1) Contract Register - the savings bank shall maintain a contract register adequate to identify and control all financial options contracts and sufficient to indicate at any time the amounts of financial

options contracts required to be reported on its monthly report. At a minimum, the register shall list the type, amount, expiration date and the cost of income from each contract.

2) Other Documentation - the savings bank shall maintain as part of the documentation of its financial options strategy a schedule of any cash market or forward commitment position with which the option is matched and the purpose of each contract.

3) Maintenance of Records - the records designated in this Section shall be maintained for all financial options closed out during the preceding two (2) years.

g) Accounting

1) Purchase or Sale - upon initial purchase or sale of a financial options contract, a memorandum entry of the information specified in this Section shall be made and appropriate margin accounts shall be established.

2) Option Commitment Fee

A) The option commitment fee paid for a long position or received from the sale of a short put option shall be amortized to income or expense over the term of the option, except as provided in this Section.

B) The option commitment fee received from the sale of a matched short call option shall be deferred until the option position is terminated. The option commitment fee received from the sale of an unmatched short call option shall be amortized to income over the term of the option.

3) Options Contracts

A) Gains or losses on options contracts that are matched with assets or liabilities carried at the lower of cost or market value, or carried at market value shall be considered in determining the market value of the asset or liability.

B) Options positions that are matched with assets or liabilities carried at cost or to be carried at cost shall be accounted for as follows.

i) If a commitment fee will be or has been received with respect to the matched asset, the option commitment fee shall be treated as an adjustment of such fee. The adjusted commitment fee shall then be treated as a fee paid or received in connection with the matched asset.

ii) If a commitment fee has not been received with respect to a matched asset, the option commitment fee (except if received for the sale of a short call option) shall be amortized to income or expense over the commitment period by the straight line method.

iii) Any resulting gain or loss from an option position (except from a short call option) shall be treated as a discount or premium on the matched asset or liability.

iv) Any resulting gain or loss from a short call option position shall be recognized as income or expense upon termination of the option position.

v) If an option position is not matched with a cash-market or forward-commitment position or the cash-market or forward-commitment position with which an option is matched is sold or will not occur, the option shall be marked to market.

C) The immediate exercise value of short puts and other unmatched option positions shall be carried at their current market value.

Section 1075.575 Finance Leasing

Pursuant to Section 1008(15) of The Act, savings banks may engage in leasing activities that are the functional equivalent of lending, subject to the limitations of this Section.

a) A savings bank may become the legal or beneficial owner

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of tangible personal property or real property to lease such property, may obtain an assignment of a lessor's interest in a lease of such property, and may incur obligations incidental to its position as the legal or beneficial owner and lessor of the leased property, if:

1) the lease is a net, full-payout lease representing a non-cancelable obligation of the lessee, notwithstanding the possible early termination of the lease; and

2) at the expiration of the lease, the savings bank's interest in the property shall be liquidated or released on a net basis as soon as practicable.

b) A lease of tangible personal property made to a natural person for personal, family or household purposes pursuant to this Section shall be subject to all limitations applicable to the amount of a savings bank's investment in similar loans. A lease made for commercial, corporate, business or agricultural purposes pursuant to this Section shall be subject to all limitations applicable to the amount of a savings bank's investment in commercial loans. A lease of residential or nonresidential real property made pursuant to this Section shall be subject to all limitations applicable to the amount of a savings bank's investment in real estate loans.

c) Definitions - for the purposes of this Section shall be the following:

1) The term "net lease" means a lease under which the savings bank will not, directly or indirectly provide or be obligated to provide for:

A) the servicing, repair or maintenance of the leased property during the lease term;

B) the purchasing of parts and accessories for the leased property, except that improvements and additions to the leased property may be leased to the lessee upon its request in accordance with the full-payout requirements of this Section;

C) the loan of replacement or substitute property while the leased property is being serviced;

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D) the purchasing of insurance for the lessee, except where the lessee has failed to discharge a contractual obligation to purchase or maintain insurance; or

E) the renewal of any license, registration of filing for the property unless such action by the savings bank is necessary to protect its interest as an owner or financier of the property.

2) The term "full-payout" lease means one from which the lessor can reasonably expect to realize a return of its full investment in the leased property, plus the estimated cost of financing the property over the term of the lease, from rentals, estimated tax benefits, guarantees and other sources, and the estimated residual value of the property at the expiration of the initial term of the lease. Provided that no more than 20 percent of the return may be realized from the residual value of the property at the expiration of the initial term of the lease, both the estimated residual value of the property and that portion of the estimated residual value relied upon by the lessor to satisfy the requirements of a full-payout lease must be reasonable in light of the nature of the leased property and all relevant circumstances so that realization of the lessor's full investment plus the cost of financing the property depends primarily on the credit worthiness of the lessee, and not on the residual market value of the leased property. The maximum term of a full-payout lease shall be twenty (20) years.

d) Salvage Powers - if, in good faith, a savings bank believes that there has been an unanticipated change in conditions that threatens its financial position by significantly increasing its exposure to loss, this Section shall not prevent the savings bank:

1) as the owner and lessor under a net, full-payout lease, from taking reasonable and appropriate action to salvage or protect the value of the property and its interest arising under the lease;

2) as the assignee of a lessor's interest in a lease, from becoming the owner and lessor of the leased

property pursuant to its contractual right, or from taking any reasonable and appropriate action to salvage or protect the value of the property or its interest arising under the lease; or

3) from including any provisions in a lease, or from making any additional agreements, to protect its financial position or investment in the circumstances set forth in this Section.

Section 1075.580 Suretyship

Pursuant to Section 1008(20) of The Act, a savings bank shall enter into an agreement to act as a surety subject to the following provisions.

a) A savings bank operating under The Act may exercise surety powers only to the extent authorized by the Federal Deposit Insurance Corporation.

b) A savings bank may enter into a suretyship agreement only if the agreement would create an obligation authorized for investment by a savings bank. A savings bank's obligation under the suretyship agreement shall be treated as a loan to its principle for purposes of Sections 6010 and 6013 of The Act and Section 1075.500 of this Part.

c) A savings bank must take and maintain a security interest in real estate or marketable investment securities, as defined at Section 1007.85 of The Act, of its principal having a market value, determined in accordance with the provisions of The Act and this Part, of at least 110 percent of the savings bank's total suretyship obligations. In determining compliance with the 110 percent collateralization requirement, the savings bank shall consider the value available above prior mortgages or liens, except those held by the party for whose protection the suretyship agreement is made. If marketable investment securities, the savings bank shall provide for the maintenance of the collateral value at the required level throughout the term of the suretyship agreement.

d) To the extent that a savings bank is required to meet its obligations under a suretyship agreement, the amount expended shall be treated as an extension of credit subject to the limitations imposed on similar loans under

the various provisions of The Act and this Part.

Section 1075.585 Asset Reserves

a) Scope

The classification system described in this Section applies to all assets or portions thereof held by a savings bank.

b) Classifications

1) Substandard - assets classified substandard are inadequately protected by the current paying capacity of the obligor or of the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses. They are characterized by the distinct possibility that the savings bank will sustain some loss if the deficiencies are not corrected.

2) Doubtful - assets classified doubtful have all the weaknesses inherent in those classified Substandard with the added characteristic that collection of the asset in full, on the basis of currently existing facts, conditions, and values, is highly questionable and improbable.

3) Loss - assets classified loss are considered uncollectible and of such little value that their continuance as assets without establishment of a reserve is not warranted. This classification does not mean that an asset has absolutely no recovery or salvage value, but, rather, that it is not practical or desirable to defer writing off a basically worthless asset even though partial recovery may be effected in the future.

c) Implementation of Classification System

1) In connection with examinations of a savings bank or its affiliates, the examiner shall have authority to identify problem assets and, if appropriate, classify them.

2) Each savings bank shall classify its own assets on a regular basis. In addition to any other remedies available to this Office under applicable statutes

and regulations, a savings bank's failure to set aside prudent valuation allowances, or to monitor portfolio risk with an effective self-classification procedure, will be considered by the examiner in determining the amount of valuation allowances to be established by such savings bank.

3) In its reports to the Office, each savings bank shall include aggregate totals of assets that the savings bank has classified in each of the three asset classification categories, and the aggregate general and specific valuation allowances established. To the extent a savings bank's specific valuation allowances have decreased from the previous reporting period, such savings bank shall identify the amount of the decrease attributable to a savings bank's between examination upgrading of classifications.

d) Effect of Classification

1) When, pursuant to this Section, a savings bank has classified one or more assets, or portions thereof, substandard or doubtful, the savings bank shall establish prudent general allowances for loan losses. When, pursuant to this Section, an examiner has classified one or more assets or portions thereof substandard or doubtful and has determined that the existing valuation allowances are inadequate, the savings bank shall establish general allowances for loan losses in an appropriate amount as determined by the examiner, subject to approval of the Commissioner.

2) When, pursuant to this Section, either a savings bank or an examiner has classified one or more assets or portions thereof loss, the savings bank shall either establish allowances for losses in the amount of 100 percent of the portion of the asset(s) classified loss, or charge off such amount against current income.

3) Adequate valuation allowances consistent with generally accepted accounting principles shall be established for classified assets. Asset evaluations (and the corresponding allowances) that are consistent with the practice of the federal banking agencies may be used for supervisory

purposes.

e) Assets Deserving "Special Mention"

Assets that do not currently expose a savings bank to a sufficient degree of risk to warrant classification under this Section but do have credit deficiencies or potential weaknesses deserving management's close attention shall be designated "special mention" by either the savings bank or the examiner. Special mention assets have a potential weakness or pose an unwarranted financial risk that, if not corrected, could weaken the asset and increase risk in the future.

f) Delegations and Interpretations

1) The Commissioner or designee may approve, disapprove, or modify any classifications of assets made pursuant to this Section and any amounts of allowances for loan losses established by a savings bank or required by examiners pursuant to this Section.

2) When an appraisal is required or made in connection with any reevaluation of assets, the Commissioner may approve or reject the appraisal and any valuation related to it.

3) This Office shall, from time to time, issue supervisory interpretations and other informational material regarding classification of assets.

SUBPART F: SERVICE CORPORATION

Section 1075.600 Requirements

a) No savings bank shall invest in or lend to a service corporation as defined in Section 1007.105 of The Act unless said service corporation has been approved by the Commissioner.

b) Subpart F of this Part shall not apply to investments in single-purpose corporations authorized under Sections 1008(9) and 6009 of The Act.

Section 1075.610 Approval by the Commissioner

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a) Except as provided in subsection (b) of this Section, an application for approval of a service corporation shall be approved by the Commissioner provided that:

1) its purpose or purposes are reasonably incident to the accomplishment of the powers conferred upon savings banks by The Act, or are purposes granted or allowed to service corporations organized or owned by savings and loan associations; or its sole purpose is to operate as a finance subsidiary of a savings bank to the extent authorized for finance subsidiaries of savings and loan associations under the Illinois Savings and Loan Act of 1985 (Ill. Rev. Stat. 1989, ch.17, par. 3301 et seq.); and

2) the application for approval of a service corporation includes: the appropriate fee; a copy of the service corporation's Articles of Incorporation; a list of proposed shareholder(s); the fiscal year-end date; and an undertaking by the service corporation with the continuing conditions specified in subsection (c) of this Section and in a form prescribed by the Commissioner.

b) An application for approval of a service corporation shall be denied by the Commissioner in writing if the Commissioner finds that any proposed shareholder is conducting business in an unsafe manner.

c) Continuing Conditions

1) A service corporation shall not amend its Articles of Incorporation nor adopt an assumed corporate name without the prior written approval of the Commissioner. A proposed amendment to Articles of Incorporation not involving a name change shall be approved unless it is in non-compliance with subsection (a)(1) above. A proposed name change shall be approved unless such proposed name is either deceptively similar to that of a savings bank as specified in Section 3005(b)(3) of The Act or of a nature which might imply that the entity is a savings bank.

2) Each service corporation shall cause its affairs to be audited by a licensed public accountant at least once each fiscal year, and cause said accountant to deliver a copy of said certified statement to the

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Commissioner simultaneously with the delivery of the statement to the service corporation.

3) Each service corporation shall be examined in conjunction with the examination of its parent savings bank(s). The Commissioner shall require additional reports and/or examinations if the Commissioner, or his staff members engaged in examination of the savings bank's monthly report, determine that more information is needed to determine the viability of the service corporation.

4) A service corporation shall not acquire any classified item(s) as defined in Section 1075.585(b) from any financial institution except that a service corporation may acquire real estate owned by any savings bank.

Section 1075.620 Investment Limitations

a) A savings bank may make investments in capital stock of service corporations which are 90 percent or more owned by one or more savings banks in an amount which shall not exceed 10 percent of the savings bank's total assets. A savings bank that has met and maintained the capital level(s) required for a savings bank, the deposit accounts of which are insured by the Federal Deposit Insurance Corporation, may invest an additional 50 percent of the excess capital provided that in no event shall a savings bank's maximum investment in service corporations exceed 20 percent of its total assets.

b) A savings bank may make investments in capital stock of service corporations which are at least 51 percent but less than 90 percent owned by one or more savings banks, in an amount not to exceed 1 percent of the savings bank's total assets.

c) All loans to service corporations shall be subject to all lending limitations contained in The Act and this Part, except that:

1) a savings bank may make loans to a wholly owned service corporation in an amount equal to the savings bank's total capital or in an amount that exceeds the savings bank's total capital if such excess amount is fully secured by collateral, of a type upon which the savings bank itself could lend,

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of a value determined in accordance with The Act and with rules promulgated by the Commissioner; and

2) loans shall not be subject to the percentage of asset limitations of Section 6002(8) of The Act.

Section 1075.630 Investments by Service Corporations

a) A service corporation may invest its assets in any manner not expressly prohibited by law, provided such investments are made in the exercise of reasonable judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds, considering the probable income as well as the probable safety of their capital.

b) If a service corporation has not been approved, or if approval is withdrawn, all loans to or investments in the service corporation shall constitute an unauthorized investment. However, the savings bank shall be granted a reasonable time within which to dispose of said loans or investments.

c) A basis for withdrawal of approval of a service corporation exists if:

1) the service corporation is subject to involuntary dissolution for failure to file annual reports or pay fees pursuant to The Business Corporation Act (Ill. Rev. Stat. 1989, ch. 32, par. 1.01 et seq.); or

2) the service corporation fails to pay, within sixty (60) days of the billing date, supervisory fees or examination fees due the Commissioner;

3) the service corporation fails to file, when due, those reports required by Sections 1075.670 and 1075.680 of this Part;

4) the Commissioner determines that the service corporation is engaged in activities that are not reasonably incidental to the accomplishment of the powers conferred upon savings banks by The Act;

5) the investment of any parent savings bank in the

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respective service corporation(s) is in excess of the investment limitations set forth at Section 1075.620 of this Part; or

6) the Commissioner determines that the service corporation is conducting business in a fraudulent, illegal, or unsafe manner.

Section 1075.640 Ownership of Capital Stock of Service Corporation

a) A minimum of 51 percent of all classes of capital stock of a first-tier service corporation shall be owned by one or more savings banks, bank, or savings and loan associations. First-tier service corporation means any corporation which is 51 percent or more owned by one or more savings banks, bank, or savings and loan associations whose purpose or purposes are reasonably incident to the accomplishment of the powers conferred upon savings banks by The Act.

b) Subject to approval by the Commissioner, an amount not to exceed 49 percent of all classes of capital stock of a service corporation may be owned by a person or persons other than a savings bank. The ownership by such person or persons shall be approved if the Commissioner finds:

1) the sale or issuance of stock is at no less than the book value of the stock;

2) if no sale is involved, that the stock issuance to employees or officers is part of the compensation program documented by a written employment contract; and

3) the ownership of such stock is subject to a repurchase agreement which provides that the service corporation has the right of first refusal to reacquire the stock from the person or persons or the estate of such person or persons at book value at the time of death or termination of employment.

c) The book value of the stock shall be determined in accordance with generally accepted accounting principles by the independent auditor of the service corporation.

Section 1075.650 Prohibited Transactions

a) Without prior approval of the Commissioner, no service

corporation shall enter into any contract (except an employment contract), grant any loan, directly or indirectly, to any officer, director, individual stockholder or employee of the service corporation or of its parent savings bank(s) except upon real estate occupied as a homestead or on the security of a personal automobile. A service corporation may, without prior approval, enter into a contract for the sale of real estate to be occupied by any of the foregoing persons as their bona fide homestead.

b) A service corporation may enter into a contract to purchase an insurance agency or brokerage in which any of the foregoing persons have an interest.

Section 1075.660 Disclosure to Service Corporation

a) Service corporations shall require as a condition of any contract, loan, joint venture agreement or partnership agreement, that the party entering into such relationship with the service corporation disclose the names and true identity:

1) in the case of trusts, owners of beneficial interests of said trusts;

2) in the case of corporations, the names and addresses of all shareholders owning 10 percent or more of the capital stock; and

3) in the case of partnerships, a list of names and addresses of all partners.

b) Such disclosure shall be certified by the respective trustee, secretary or general partner. This certification shall become a permanent part of the file of each such contract, loan, joint venture or partnership agreement.

Section 1075.670 Reporting Requirements

a) Within forty-five (45) days of the close of each calendar year, each service corporation shall submit to the Commissioner a report, in such form as the Commissioner shall prescribe, setting forth complete and true statements of condition and operations of the service corporation and of every partnership, joint venture or corporation in which the service corporation has a cash

and/or equity interest of 50 percent or more.

b) All corporate subsidiaries, partnerships and joint ventures in which the service corporation has a cash and/or equity interest of 50 percent or more shall, within fifteen (15) days of request for same by the Commissioner, submit true and correct copies of all contracts, mortgages, partnership agreements, joint ventures and loan commitments.

Section 1075.680 Audit Requirements

a) Each service corporation shall cause its books and records to be audited at least once annually by an independent licensed public accountant. Except as provided after this, the report of audit shall be separate from the report of audit of any parent savings bank.

b) The report of audit of a wholly-owned service corporation may be consolidated with the report of audit of the parent savings bank provided that such report sets forth:

1) the auditor's opinion that the activity of the service corporation does not materially affect the financial position of the parent savings bank; and

2) all details of consolidation.

c) The auditor shall test compliance with The Act and this Part and determine the effect that the service corporation has on the financial position of the parent savings bank(s).

d) The auditor shall determine and report any facts relating to any direct or indirect self-dealing by any service corporation officer, director, employee or shareholder other than a savings bank. The auditor shall also determine and report any facts relating to any direct or indirect conflict of interest of any officer, director, employee or shareholder of a savings bank holding stock in the service corporation.

e) Any noncompliance with The Act or this Part, self-dealing or conflict of interest which are discovered during the audit shall be set forth in the report of audit delivered to the service corporation's board of directors. The service corporation's board of directors

shall promptly report such noncompliance to the Commissioner and to the board of directors of the parent savings bank(s).

f) A copy of the audit report shall be filed with the Commissioner within ninety (90) days of the audit date, except upon receipt of written notice setting forth the reason delivery of the report of audit is delayed by circumstances beyond the control of the service corporation, the Commissioner may extend the filing date for up to sixty (60) additional days.

SUBPART G: RELOCATIONS AND BRANCHING

Section 1075.700 General

a) A branch office of a savings bank is any office other than its home office, drive-in facility, pedestrian facility, agency office, or a remote service unit.

b) Any business of a savings bank may be transacted at a branch office. When a branch office provides any product, it must have all the resources necessary to support that product offering at the branch location.

c) A savings bank shall not establish a branch office nor change the location of its home office unless its respective application has been approved by the Commissioner. An application shall be approved only if the Commissioner finds that:

1) the office can be established at the proposed location without undue injury to properly conducted existing savings banks or other existing financial institution;

2) the policies and financial condition of the applicant are not a basis for supervisory objection; and

3) the proposed office will open within twelve (12) months of approval unless occupancy is delayed by circumstances beyond the control of the applicant and, consequently, additional time is allowed by the Commissioner.

d) A savings bank proposing a change of location of its home office or branch office may request a waiver of the

otherwise applicable requirements of Subpart G of this Part. The request will be approved only if:

1) the Commissioner can make the same findings as those required at subsection (c) above;

2) the applicant demonstrates that the area to be served from the proposed location is essentially the same as that served from the present location;

3) the applicant gives the reason(s) for the change of location; and

4) the applicant submits a request which sets forth information sufficient to allow the making of all determinations required by subsection (d) above.

e) If requested by the applicant, the Commissioner shall approve a temporary location of a home office or a branch office if the temporary location is:

1) in the immediate vicinity of the approved permanent location; and

2) not more competitive to any other properly conducted existing savings bank than the approved permanent location.

Section 1075.705 Application

a) A savings bank may apply for a branch office or for a change of location of its home office provided that the applicant obtains the prescribed form of application and form of notice and related instructions from the Commissioner unless waived pursuant to Section 1075.700(d) of this Part.

b) An application is considered complete and a priority filing date is established when the Commissioner determines that all required information has been submitted.

c) Changes to all but material information of the application may be made up to the time the approval/denial is determined. For purposes of this Section, material information is defined as but is not limited to:

1) savings bank name;

2) savings bank address;

3) nature and purpose of application; and

4) any other information which if changed, would likely cause the approval or denial decision to be reversed.

Section 1075.710 Request for Preliminary Determination

a) A savings bank which intends to file an application for a branch office or for a change of location of its home office may, before the filing of such application, submit to the Commissioner written advice of intent to file such an application and request a preliminary determination as to whether supervisory objection will be raised on the basis of the applicant's policies and financial condition. Within thirty (30) days following receipt of the advice of intent, the applicant shall be advised of the Commissioner's decision, and if applicable, the reason for supervisory objection.

b) If at any time subsequent to preliminary determination the Commissioner determines that a basis for supervisory objection exists, further processing of the respective application shall be denied.

Section 1075.715 Public Notice and Inspection

a) After the application is complete, the Commissioner shall direct the applicant, in writing, to publish notice within fifteen (15) calendar days from such date of direction. The applicant shall publish notice in a newspaper printed in the English language having a general circulation in the applicant's home office community and in the community to be served from the proposed location.

b) Within ten (10) days following the date of publication, the applicant shall furnish the Commissioner with one copy each of the required notice(s) and the publisher's affidavit(s) of publication.

c) The Commissioner shall consider the application and its filing confidential until the applicant is advised to publish notice. After publication, the application shall

be available for public inspection at the Commissioner's Office, by appointment.

Section 1075.720 Protest

Protests, answers to protests and other related communications shall be in writing and submitted only as provided in this Section.

a) Within ten (10) calendar days following the date of publication of Notice of Application (or twenty (20) calendar days after the date of publication if extension is requested in writing within such ten (10) day period) any person may file a communication in favor or protest of the application with the Commissioner. Any person filing such a communication shall simultaneously furnish a copy to the applicant.

b) Within fifteen (15) calendar days after receipt of a protest, the objector and the applicant shall be advised in writing whether the Commissioner considers the protest to be substantial.

c) No protest shall be considered "substantial" unless it is in writing, filed on time, and contains at least the following:

1) a summary of the reasons for the protest;

2) the specific matters in the application to which objection is raised and the reasons for each objection;

3) facts supporting the protest, including relevant economic or financial data; and

4) adverse effects on the objector which may result from approval of the application.

d) The Commissioner's determination as to whether a protest is "substantial" shall be made on the basis of data showing undue injury to properly conducted existing savings bank(s) or other financial institution(s) and/or data disputing the propriety of information set forth in the respective application.

e) Within twenty (20) calendar days following the date of notice that a protest has been considered substantial, the applicant may file an answer to such protest with the

Commissioner.

Section 1075.725 Oral Argument

a) Oral argument on the merits of an application shall be heard if:

1) the applicant, or a person who has filed a protest considered to be substantial, so requests and the request is received by the Commissioner within ten (10) calendar days after the time for filing answers to all protests has expired; and

2) the Commissioner, after reviewing the application and other pertinent information, considers oral argument desirable because of protests which dispute the propriety of information set forth in the application.

b) Any such hearing of oral argument shall be subject to the appropriate fee and expenses prescribed in Section 1075.100 of this Part. A transcript of any such hearing of oral argument shall be taken and made a part of the record in the matter.

c) The Commissioner shall mail notice of the date (which shall be at least ten (10) calendar days after such mailing), time and place of oral argument to the applicant and person(s) who filed protests or other communications. The Commissioner shall ensure that the time and place of any oral argument are reasonably convenient to the applicant and the objector(s).

d) The Commissioner or any person designated by the Commissioner shall hear oral argument and determine all matters relating to the conduct thereof. Arguments shall be made in person or by authorized representative(s). A maximum of one hour of oral argument shall be allowed in favor of and against the application. In hearing oral arguments, the person presiding shall determine the order of presentation. The parties may agree on a division of time; otherwise, the person presiding shall make the determination. Arguments may be consolidated. In the event of multiple substantial protests, the person presiding may permit additional time for argument and rebuttal. Arguments shall be based only on the facts and information on file; however, a party may introduce newly discovered matter by giving a written memorandum

of same to the person presiding when the hearing commences. Said memorandum shall include an affidavit as to why the matter was not previously known and not previously filed. No party to an oral argument shall be permitted more than one filing of new matter. If the person presiding rules that there is in fact substantive new matter, the party introducing it shall be required to provide copies of the memorandum of such new matter to all parties. If the parties agree to argue on the basis of such new matter, the hearing shall continue.

e) If any party wishes to file a rebuttal, ten (10) calendar days shall be allowed for the submission of such rebuttal, and the person presiding shall adjourn the hearing and set a date, time and place for it to be reconvened. Rebuttal to new matter shall not be considered a filing of new matter.

f) If oral argument is heard by a person other than the Commissioner, that person's findings shall be submitted to the Commissioner, in writing, within twenty-five (25) calendar days after final adjournment of the hearing. Within ten (10) calendar days following receipt of said findings the parties shall be advised, in writing, of the Commissioner's decision. If the Commissioner presides at the hearing, the parties to the hearing shall be advised of the decision within twenty-five (25) calendar days after final adjournment of the hearing.

Section 1075.730 Application for the Maintenance of Branch Office after Conversion, Consolidation, Purchase of Assets or Merger

a) With written approval of the Commissioner, a savings bank which acquires an office or offices through merger, purchase, purchase of all assets or consolidation shall assume the operation of any such acquired office(s), subject to Section 1075.740 of this Part. An existing financial institution which converts to a savings bank shall maintain all of its offices, existing or approved before the conversion, if such offices are set forth in its bylaws, adopted in accordance with Section 8001 of The Act. Offices set forth in its bylaws shall be subject to Section 1075.740 of this Part.

b) If the Commissioner has approved a Plan of Conversion from a savings bank charter for a savings bank or has evidence of a savings bank's intent to file such Plan of Conversion, he shall deny an application for a branch

office.

Section 1075.735 Redesignation of Offices

A savings bank may designate an existing branch office as its main business office and designate its existing main business office as a branch office by submitting an appropriate bylaw amendment for approval. No other Sections in Subpart G of this Part shall apply to redesignation of offices.

Section 1075.740 Termination of Operation and/or Closing of a Branch Office

a) A savings bank may offer to sell a branch office(s) to another savings bank or other financial institution.

1) Before any such sale, a copy of the proposed agreement shall be submitted to the Commissioner. Within thirty (30) calendar days the Commissioner shall notify the proposed seller, in writing, as to whether there is supervisory objection to the proposed sale, or the Commissioner may advise the proposed seller of any additional information or further review considered necessary to make such a determination. The Commissioner in considering supervisory objection shall review the policies and financial condition of the selling savings bank and the acquiring financial institution.

2) The selling savings bank and, if applicable, the acquiring financial institution shall submit an appropriate bylaw amendment for the Commissioner's approval.

b) A savings bank showing justification for termination of operation and the closing of a branch office(s) may do so with the prior written approval of the Commissioner. Any request for the closing of any office shall be subject to the publication requirements of Section 1075.715(a) of this Part.

c) The filing of a request for termination of operation and the closing of a branch office(s) shall constitute authority for the Commissioner to seek a successor to assume operation of the branch office(s).

Section 1075.745 Agency Offices

a) A savings bank may establish or maintain agency offices which only service and originate (but do not approve) loans and contracts and/or manage or sell real estate owned by the savings bank.

b) An agency office shall maintain records of all business it transacts and transmit copies to a branch or home office of the savings bank.

Section 1075.750 Remote Drive-In and/or Remote Pedestrian Facilities

a) A savings bank may, without prior approval of the Commissioner other than approval of an appropriate bylaw amendment, establish a remote drive-in and/or remote pedestrian facility in conjunction with each savings bank business office. Each such facility may be designed to simultaneously accommodate more than one customer.

b) The term "business office" means the business office premises including non-remote drive-in and/or non-remote pedestrian facilities which are those facilities within the boundaries of real estate on which a home office or any branch office is located and the areas contiguous thereto which the savings bank has the exclusive right as owner or lessee to use or maintain for ingress or egress or for parking in connection with that business office.

c) Remote drive-in and remote pedestrian facilities are defined as follows:

1) A remote drive-in facility is a facility which is not located on the premises of a business office as defined in subsection (b) above and at which the customer transacts business from a vehicle.

2) A remote pedestrian facility is a facility which is not located on the premises of a business office as defined in subsection (b) above and at which the customer need not enter an office but may remain outside the structure and transact business with a teller located inside the structure.

d) Remote drive-in and remote pedestrian facilities shall be initially located within the following limitations.

1) Remote drive-in and/or remote pedestrian facilities

must be initially located not more than 1500 feet from a business office of the establishing savings bank, and such initial location must be closer to a business office of the establishing savings bank than to a business office of any other savings bank or financial institution.

2) Such a facility may be placed in a store or location of some other business if the savings bank's quarters are used exclusively for the conduct of the savings bank's business. There will be no objection to a remote pedestrian facility which faces on an enclosed mall and serves pedestrians who remain in the mall while transacting business with the savings bank.

e) Functions which are routinely performed by the establishing savings bank's tellers at its business office(s) may be performed at a remote drive-in and/or remote pedestrian facility; however, the acceptance of a completed loan application is prohibited.

SUBPART H: CAPITAL NOTES AND DEBENTURES

Section 1075.800 Approval

No savings bank may issue and sell its capital notes or debentures without the prior written approval of the Commissioner and subject to any conditions the Commissioner may impose with regard to safety and soundness and maintenance of adequate financial condition especially in areas of preservation of capital, quality of earnings and adequacy of reserves. A stock savings bank shall also have the prior approval of a majority of the shareholders owning a majority of the issued and outstanding shares of the savings bank to issue convertible capital notes or debentures.

Section 1075.810 Conversion to Stock

Capital notes or debentures issued by a stock savings bank may be converted into shares in accordance with provisions approved by the Commissioner and contained in the capital notes or debentures. Convertible capital notes or debentures may be issued without preemptive rights to existing shareholders if provided by the Articles of Incorporation of the savings bank and authorized by the Commissioner.

Section 1075.820 Priority of Claim

Capital notes and debentures shall be an unsecured indebtedness of the savings bank and shall be subordinate to the claims of account holders and all other creditors of the savings bank, regardless of whether the claims of account holders or other creditors arose before or after the issuance of such debentures or capital notes. In the event of liquidation, all account holders and other creditors of the savings bank shall be entitled to be paid in full before any payment shall be made on account of principal or interest on capital notes or debentures. Capital notes and debentures shall contain a statement of the rights and priorities of the lenders.

SUBPART I: ADMINISTRATIVE HEARING PROCEDURES

Section 1075.900 Applicability

This regulation shall apply to all hearings conducted under the jurisdiction of the Commissioner of Savings and Residential Finance.

Section 1075.905 Definitions

Words or terms that are defined in The Act shall retain the same meaning when used in this Part.

"ACT" - Savings Bank Act (P.A. 86-1213, effective August 30, 1990).

"AGENCY" - Office of the Commissioner of Savings and Residential Finance.

"APPLICANT" - Savings bank or holding company or person whose application pending before the Commissioner is subject matter of the hearing.

"ASSOCIATION" - Every savings bank organized under and governed pursuant to the Illinois Savings Bank Act; a state chartered savings bank.

"COMMISSIONER" - Commissioner of Savings and Residential Finance for the State of Illinois.

"HEARING OFFICER" - The presiding official(s) designated by the Commissioner to conduct a hearing or anyone designated by the Commissioner to hear evidence; means any member of the panel the Commissioner appoints to conduct the hearing.

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"HOLDING COMPANY" - Any company as defined in Article 2 of The Act.

"NOTICE" - Notice prescribed by The Act or this Part, as applicable.

"OBJECTOR" - Entity or person who is on record as objecting to the application pending before the Commissioner which is the subject matter of the hearing.

"PARTY" - Entity or person named in pleading or affected by judgment.

Section 1075.910 Early Neutral Evaluation

a) Upon timely request for a hearing on an Order of the Commissioner, the Commissioner shall as quickly as feasible designate a hearing examiner.

b) Twenty (20) days after filing the request for a hearing, the respondent shall file with the hearing officer a position statement and the Commissioner shall file a copy of his or her Order. The Position Statement shall be a full, complete response to the Order and charges and findings made therein, including all relevant facts and copies of any records or documents relevant to the charge, and the Commissioner's Order shall include a copy of the Order and charges and findings therein, including all relevant facts and copies of any records or documents in support of the Order.

c) Within ten (10) days of receipt of the Position Statement and the Order, the hearing officer upon review of the Position Statement and the Order shall determine whether the matter shall be heard in a conference adjudicative hearing or a formal hearing. Notice of hearing shall be made pursuant to Sections 1075.940 and 1075.945 of this Part.

Section 1075.915 Conference Adjudicative Hearing

Applicability - a conference adjudicative hearing may be used if the matter is entirely within one of the following categories:

a) a matter in which there is no disputed issue of material fact; or

b) a matter in which there is a disputed issue of material

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fact, if that matter involves only:

1) a monetary amount of not more than $25,000;

2) suspension of a director, officer, employee or affiliated person of a savings bank;

3) imposition of a limitation on operations;

4) noncompliance with the examination requirements of The Act and the rules promulgated thereunder; and

5) violation of an Order of the Commissioner made pursuant to Section 1075.910 of this Part or Section 9009 of The Act.

Section 1075.920 Filing

Documents and requests permitted or required to be filed with the Agency in connection with a hearing shall be addressed to and mailed to or filed with the Office of the Commissioner of Savings and Residential Finance, 500 East Monroe, Suite 800, Springfield, Illinois 62701-1509 or 205 West Randolph, Suite 1900, Chicago, Illinois 60606-1811, in triplicate. The Agency's Office is open for filing, inspection and copying of public documents from 8:30 a.m. to 5:00 p.m., Monday through Friday, except on national and state legal holidays.

Section 1075.925 Form of Documents

a) All documents shall clearly show the title of the proceedings in connection with which they are filed.

b) Except as otherwise provided, three (3) copies of all documents including notices, motions and petitions, shall be filed with the Agency.

c) All documents shall be typewritten or reproduced from typewritten copy on letter or legal size white paper.

d) One (1) copy of each document filed shall be signed by the party or by the party's authorized representative or attorney.

Section 1075.930 Computation of Time

Computation of any time prescribed by this regulation shall begin with the first business day following the date of filing of the

documentation with the Agency pursuant to Section 1075.920 of this Part, and shall run until the end of the last day, or the next following business day if the last day is a Saturday, Sunday or national or state holiday. Where the time is five (5) days or less, Saturdays, Sundays and national or state holidays shall be excluded in the computation of time. Notice requirements shall be construed to mean notice received, but proof that notice was dispatched by means reasonably calculated to be received by the prescribed date shall be prima facie proof that notice was timely received.

Section 1075.935 Appearances

a) Any person entitled to participate in proceedings may appear as follows:

1) a natural person may appear in that person's own behalf or by an attorney-at-law licensed to practice in the State of Illinois, or both;

2) a savings bank, association or other business, nonprofit or government organization, may appear by any bona fide officer, employee or representative, or may be represented by an attorney licensed to practice in the State of Illinois, or both.

b) An attorney appearing in a representative capacity shall file a written notice of appearance.

Section 1075.940 Notice of Hearing

All administrative hearings shall be initiated by the issuance by the Agency of a written notice of hearing, which shall be served upon all known parties to the hearing.

Section 1075.945 Service of the Notice of Hearing

Service shall be complete when the notice of hearing is served in person or deposited in the United States mail, postage prepaid, registered or certified, addressed to the last known address of the person(s), partnership(s), savings bank(s), association(s), or company(ies) involved, not less than ten (10) days before the date designated for the hearing.

Section 1075.950 Motion and Answer

a) Any party receiving a notice of hearing may file an answer not later than five (5) days before the date of

hearing. All answers to motions preliminary to a hearing shall be presented to the Agency and to the hearing officer at least five (5) days before the date of hearing, or on such other date as the hearing officer shall designate and shall be served personally or by registered or certified United States mail.

b) Unless made orally on the record during a hearing, or unless the hearing officer directs otherwise, an answer to a motion shall be in writing and shall be with any affidavits or other evidence relied upon and, as appropriate, by a proposed order. At least two (2) copies of all such motions shall be filed with the Agency (one (1) for the Agency attorney and one (1) for the hearing officer) and at least one (1) copy served on each additional party, if any, to the hearing.

c) Within five (5) days after service of a written motion, or such other period as the hearing officer may prescribe, a party may file a response in support of or in opposition to the motion, with affidavits or other evidence. If no response is filed, the parties shall be considered to have waived objection to the granting of the motion. The moving party shall have no right to reply, except as permitted by the hearing officer.

d) No oral argument will be heard on a motion unless the hearing officer directs otherwise. A written brief may be filed with a motion or an answer to a motion, stating the arguments and authorities relied upon.

e) A written motion will be disposed of by written order and on notice to all parties.

f) The hearing officer shall rule upon all motions, except that the hearing officer shall have no authority to dismiss or decide a hearing on the merits without granting all parties to the proceeding a right to be heard and to establish a record.

g) Unless otherwise ordered, the filing of an answer or motion shall not stay the proceeding or extend the time for the performance of any act.

h) A party may participate in the proceedings without forfeiting any jurisdictional objection, if such objection is raised at or before the time the party files an answer or motion, or, if no answer to motion is made,

before the commencement of the hearing.

Section 1075.955 Consolidation and Severance of Matters-Additional Parties

For convenient, expeditious and complete determination of matters, the hearing officer may consolidate or sever hearing proceedings involving any number of parties, and may order additional parties to be brought in. Consolidation may be appropriate, for example, in cases such as: when multiple parties assert the same claim(s), the same fact pattern(s), or the same legal right(s), or are in other aspects congruently situated. Severance, for example, may occur where there are multiple parties to whom the above-listed examples for consolidation do not apply, or who have interests adverse to one another.

Section 1075.960 Intervention

a) Upon timely written application, the hearing officer may permit any party to intervene in a hearing proceeding, subject to the necessity for conducting an orderly and expeditious hearing, when either of the following conditions are met:

1) when the party is so situated that said party may be adversely affected by a final order arising from the hearing; or

2) when a party's circumstances and the hearing proceeding have a question of law or fact in common.

b) Two (2) copies of a petition for intervention shall be filed with the Agency (one (1) for the Agency attorney and one (1) for the hearing officer) and one (1) copy served on each party not later than forty-eight (48) hours before the date set for hearing of the matters set forth in the notice of hearing. The hearing officer may permit later intervention when there is good cause for the delay.

c) An intervenor shall have all the rights of an original party, except that the hearing officer may, in his order allowing intervention, provide that the applicant and objector shall be bound by orders theretofore entered or by evidence theretofore received, that the applicant and objector shall not raise issues which might more properly have been raised at an earlier stage of the proceeding, that the applicant and objector shall not raise new

issues or add new parties, or that in other respects the applicant and objector shall not interfere with the control of the hearing, as justice and the avoidance of undue delay may require.

Section 1075.965 Postponement or Continuance of Hearing

A hearing may be postponed or continued for due cause by the Commissioner or the hearing officer upon their own motion or upon motion of a party to the hearing; such motion of the party shall set forth facts attesting that the request for continuance is not for purposes of delay. Notice of any postponement or continuance shall be given in writing to all parties to the hearing within a reasonable time in advance of the previously scheduled hearing date. All parties involved in a hearing shall attempt to avoid undue delay caused by repetitive postponements or continuances so that the subject matter of the hearing may be resolved expeditiously.

Section 1075.970 Authority of Hearing Officer

The hearing officer has the authority to conduct a hearing, take all necessary action to avoid delay, maintain order and ensure the development of a clear and complete record. The hearing officer shall have all powers necessary to conduct a hearing including the power to:

a) administer oaths and affirmations;

b) regulate the course of hearings, set the time and place for continued hearings, fix times for filing of documents and provide for the taking of testimony by deposition;

c) examine witnesses and direct witnesses to testify, limit the number of times any witness may testify, limit repetitious or cumulative testimony and set reasonable limits on the amount of time each witness may testify;

d) rule upon offers of proof and receive relevant evidence;

e) sign and issue subpoenas that require attendance, giving testimony and the production of books, papers and other documentary evidence;

f) direct parties to appear and confer for the settlement or simplification of issues, and to otherwise conduct prehearing conferences;

g) dispose of procedural requests or similar matters;

h) render findings of fact, opinions and recommendations for an order of the Commissioner;

i) enter any order that further carries out the purpose of Subpart I of this Part; and

j) at the hearing officer's discretion, accept probative, relevant evidence from any entity.

Section 1075.975 Bias or Disqualification of Hearing Officer

a) Any interested party may file a timely and sufficient affidavit setting forth allegations of personal bias, prejudice or disqualification of a presiding hearing officer. The Commissioner shall determine this issue as part of the record of the case. When a hearing officer is disqualified, or it becomes impractical for that hearing officer to continue, another hearing officer may be assigned, unless it is further shown that substantial bias or prejudice will result from that assignment.

b) The hearing officer may at any time voluntarily disqualify the hearing officer.

Section 1075.980 Prehearing Conferences

a) Upon written notice by the hearing officer in any proceeding, or upon written request by any party, the hearing officer may direct parties or their attorneys to appear at a specified time and place for a conference, before or during the hearing, to formulate issues and consider:

1) the simplification of issues;

2) the necessity or desirability of amending the pleadings for clarification, amplification or limitation;

3) the possibility of making admissions of certain averments of fact or stipulations concerning the use by either or both parties of matters of public record to avoid unnecessary introduction of proof;

4) the limitation of the number of witnesses;

5) the propriety of prior mutual exchange between or among the parties of prepared testimony and exhibits; and

6) such other matters as may aid in the simplification of the evidence and disposition of the proceeding.

b) Opportunity shall be afforded all parties to be represented by legal counsel and to dispose of the case by stipulation, agreed settlement or consent order, unless otherwise precluded by law. Any stipulation, agreed settlement, or consent order reached before a final determination by the Agency, shall be submitted in writing to the hearing officer and shall become effective only if approved by the hearing officer and by the Commissioner.

c) Only if all parties to a controversy agree, a record of the prehearing conferences shall be kept. It must be certified to by the parties, then filed with the case material in the Agency files.

Section 1075.985 Discovery

a) The following discovery procedures may be ordered by the hearing officer upon the written request of any party where necessary to expedite the proceedings, to ensure a clear or concise record, to ensure a fair opportunity to prepare for the hearing, or to avoid surprise at the hearing:

1) production of documents or things;

2) depositions; and

3) interrogatories.

b) The hearing officer may order the following discovery upon written request of any party:

1) list of persons who may know facts concerning the subjects of inquiry at the hearing; and
2) reasonable inspection of books, records and documents by experts.

c) Any person, including a party who is deposed, interrogated or required to submit documents or things under this Part may be examined regarding any matter not

privileged, which is relevant to the subject matter of the hearing, or which may lead to the discovery of such relevant information.

d) All depositions and interrogatories taken pursuant to Subpart I of this Part shall be for purposes of discovery only, except as herein provided. Such depositions and interrogatories may be used for purposes of impeachment and as admissions of the deposed or interrogated party. Upon application to the hearing officer either before or after the taking of such deposition or interrogatories and upon a showing that at the time of the hearing, the party deposed or interrogated will not be available to participate in the hearing because of death, age, sickness, infirmity, absence from the country or other exceptional circumstances, the hearing officer may order that the deposition or interrogatories be used as evidence in the hearing.

e) Nothing contained herein shall be construed to broaden the limitations imposed upon examination of books and records of the savings bank as prohibited by Section 4013(a) of The Act.

Section 1075.990 Subpoenas

a) Upon application to the hearing officer by any party, the hearing officer may issue a subpoena for attendance at deposition or hearing, which may include a command to produce books, papers, documents or tangible things designated therein and reasonably necessary to the resolution of the matter under consideration, subject to the limitations on discovery prescribed by Subpart I of this Part.

b) Every subpoena shall state the title of the action and shall command each person to whom it is directed to attend and give testimony at the time and place therein specified.

c) The hearing officer or the Commissioner, upon motion made promptly and in any event at or before the time specified in the subpoena for compliance therewith, may quash or modify the subpoena if it is unreasonable and oppressive.

Section 1075.995 Conduct of the Hearing

a) All hearings shall be public unless required by statute

to be otherwise. Any person may submit written statements relevant to the subject matter of the hearing. Any person submitting such a statement shall be subject to cross-examination by any party. If such person is not available for cross-examination upon timely request, the written statement shall be stricken from the record. The hearing officer may take evidence from any person whether such person is a party to the proceedings.

b) The following shall be the order of proceedings of all hearings, subject to modification by the hearing officer for good cause:

1) presentation, argument and disposition of motions preliminary to a hearing on the merits of the matters raised in the notice or answer;

2) presentation of opening statements;

3) applicant's case in chief;

4) objector's case in chief;

5) applicant's case in rebuttal;

6) statements from interested citizens, if authorized by the hearing officer;

7) objector's closing statement;

8) applicant's closing statement;

9) presentation and argument of all motions before final order;

10) presentation of written briefs pursuant to Section 1075.1025 of this Part; and

11) filing of proposed findings of fact and conclusions of law upon order of the hearing officer.

Section 1075.1000 Default

Failure of a party to appear on the date set for hearing, or failure to proceed as ordered by the hearing officer, shall constitute a default. The hearing officer shall thereupon enter such findings, opinions and recommendations as is appropriate under the pleadings and such evidence as he shall receive into his

record.

Section 1075.1005 Evidence

a) The hearing officer shall receive evidence which is admissible under the law of the rules of evidence of Illinois pertaining to civil actions. In addition, the hearing officer may receive material, relevant evidence, which would be relied upon by a reasonably prudent person in the conduct of serious affairs, which is reasonably reliable and reasonably necessary to a resolution of the issue for which it is offered; provided that the rules relating to privileged communications and privileged topics shall be observed.

b) The hearing officer shall exclude immaterial, irrelevant and repetitious evidence.

c) When the admissibility of disputed evidence depends upon an arguable interpretation of substantive law, the hearing officer shall admit such evidence.

d) A party may conduct examinations or cross-examinations without rigid adherence to formal rules of evidence, provided the examination or cross-examination can be shown to be necessary and pertinent to a full and fair disclosure of the subject matter of the hearing.

Section 1075.1010 Official Notice

Official notice may be taken of all facts of which judicial notice may be taken and of other facts, of a technical nature, within the specialized knowledge and experience of the Agency.

Section 1075.1015 Hostile Witnesses

a) If the hearing officer determines that a witness is hostile or unwilling, such witness may be examined by the party calling said witness as if under cross-examination.

b) The party calling an occurrence witness, upon the showing that said party called the witness in good faith and is surprised by such witness's testimony, may impeach the witness by proof of prior inconsistent statements.

Section 1075.1020 Transcription of Proceedings

a) Oral proceedings at which evidence is presented shall be

recorded either by a certified court reporter or a mechanical recording device. Any transcription will be retained through and including the time allotted for appeal, revision, rehearing or other manner of review before final disposition as provided for by the agency or by law.

b) The transcript and the record offered in connection with the hearing shall constitute the official record.

c) The record in an administrative hearing shall include:

1) prehearing records;

2) all pleadings (including all notices and answers, motions, briefs and rulings);

3) evidence received;

4) a statement of matters officially noticed;

5) offers of proof, objections and rulings; and

6) findings, opinions and recommendations of the hearing officer.

Section 1075.1025 Briefs

The parties may submit written briefs to the hearing officer within ten (10) days after the close of the hearing, or such other reasonable time as the hearing officer shall determine consistent with the Commissioner's responsibility for expeditious decision.

Section 1075.1030 Hearing Officer's Findings, Opinions and Recommendations

a) The hearing officer's findings, opinions and recommendations shall be in writing and shall include findings of fact and conclusions of law, or opinions separately stated when possible. Findings of fact shall be based exclusively on the evidence presented at the hearing or known to all parties, including matters officially noticed. Findings of fact, if set forth in statutory language, shall be with a statement of the underlying supporting facts. If a party submits proposed findings of fact which may control the decision or order, the decision or order shall include a ruling upon each proposed finding. Each conclusion of law shall be

supported by authority or reasoned opinion. A decision or order shall not be made except upon consideration of the record as a whole or such portion thereof as may be supported by competent material and substantial evidence.

b) The hearing officer shall then submit findings, opinions and recommendations to the Commissioner.

Section 1075.1035 Order of the Commissioner

a) The Commissioner shall review the hearing officer's findings, opinions and recommendations and shall issue an order as set forth by applicable statutes or within a reasonable time.

b) The decision in the case will become effective immediately upon the execution of a written order, or as otherwise specified by either the order or applicable statue.

c) Parties shall be immediately notified either personally or by mail, postage prepaid, certified or registered, addressed to the last known address of the person, partnership, association or company involved, of the order. A copy of the order shall be delivered or mailed to each party and to the party's attorney of record.

d) The Commissioner may require, in keeping with Section 1075.100(f) of this Part and as part of said order, any party to the proceeding to pay part or all the costs of the hearing, including but not limited to: witness fees; court reporter fees; hearing officer fees; and the cost of the transcript.

Section 1075.1040 Rehearings

a) Except as otherwise provided by law, and for good cause shown, the Commissioner may in the Commissioner's discretion order a rehearing in a contested case on petition of an interested party.

b) Where the record of testimony made at the hearing is found by the Commissioner to be inadequate for purposes of judicial review, the Commissioner may order a reopening of the hearing.

c) A motion for rehearing or a motion for the reopening of a hearing shall be filed within ten (10) days of the date

of mailing of the Commissioner's order. A rehearing shall be noticed and conducted in the same manner as an original hearing. The evidence received at the rehearing shall be included in the record for the Commissioner's reconsideration and for judicial review. A decision or order may be amended or vacated after hearing.

Section 1075.1045 Existing Statutory or Agency Procedures and Practices

Subpart I of this Part shall not be construed to limit or repeal additional requirements imposed by Statute or otherwise, or to change existing Agency procedures which are equivalent to or exceed the standards or administrative procedure prescribed in Subpart I of this Part.

Section 1075.1050 Costs of Hearing

In addition to filing fees set forth in Section 1075.100 of this Part, each party to the hearing shall be required to pay its pro rata share of expenses including the hearing officer; transcript and such other incidental cost as may be authorized by the hearing officer or by the Commissioner, unless waived by the Commissioner.

Section 1075.1055 Emergency Adjudication

a) The Commissioner may use emergency adjudication proceedings in a situation involving an immediate danger to the public or welfare requiring immediate Agency action.

b) The Commissioner may take only such action as is necessary to prevent or avoid the immediate danger to the public interest or welfare that justifies use of emergency adjudication.

c) The Commissioner shall render an Order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the decision if it is an exercise of the Commissioner's discretion, to justify the determination of an immediate danger and the Commissioner's decision to take the specific action.

d) The Agency shall give such notice as is practicable to persons who are required to comply with the Order. The Order is effective when rendered.

e) After issuing an Order pursuant to this Section, the

Agency shall proceed as quickly as feasible to complete any proceedings that would be required if the matter did not involve an immediate danger.

f) The Commissioner's record consists of any documents regarding the matter that were considered or prepared by the Agency. The Commissioner shall maintain these documents as its official records.

g) Unless otherwise required by a provision of law, the Commissioner's record need not constitute the exclusive basis for the Commissioner's action in emergency adjudication or for judicial review thereof. Under this Section, the Commissioner may act on the basis of nonrecord information and may render his or her Order orally, if necessary, to cope with the emergency.

SUBPART J: SAVINGS BANK HOLDING COMPANIES

Section 1075.1100 Applicability

a) Subpart J of this Part shall apply to all stock holding companies, mutual holding companies or savings banks that directly or indirectly, own or control or seek to own or control 25 percent or more of the voting shares or rights of any insured institution in any manner, except where such ownership arises in the regular course of business as set forth in Section 2001.05 of The Act.

b) Except with the permission of the Commissioner, and the Federal Reserve Board ("FRB"), no company shall become a savings bank holding company with the power to hold or vote, directly or indirectly, 25 percent or more of the voting stock of one or more institutions.

Section 1075.1105 Plain Meaning/Strict Interpretation

As used in this Part, unless the context indicates otherwise, all words shall have their plain meaning, and as used in this Part, all regulations in this Part shall be subject to strict interpretation.

Section 1075.1110 Affiliate

An affiliate of, or a person affiliated with, a specific person, is a person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified.

Section 1075.1115 Assets

Assets of a savings bank means the total assets of the savings bank minus goodwill and any other intangible assets, including but not limited to, purchased deposit base and branch network, and leasehold improvements net of accumulated depreciation.

Section 1075.1120 Books of Record

Books or records wherein the original accounting entries are recorded, presented, etc. and maintained as a part of an accounting number finally presented in the financial statements of an entity. Examples include: check registers, loan registers, cash disbursements ledgers, capital asset ledgers, general ledgers, working trial balances.

Section 1075.1125 Capital Stock

The term "capital stock" includes common stock, guaranty stock, permanent reserve stock, or any similar certificate evidencing non-withdrawable capital.

Section 1075.1130 Charter

The term "charter" includes Articles of Incorporation, articles of association, or any similar instrument, as amended, effecting (either with or without filing with any government agency) the organization or creation of an incorporated or unincorporated person.

Section 1075.1135 Control

The term "control" (including the terms "controlling", "controlled by", and "under common control with") means to have, direct or indirect, the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

Section 1075.1140 Eligible Account Holder

The term "eligible account holder" means any person holding a qualifying deposit as of a given date.

Section 1075.1145 Eligibility Record Date

"Eligibility record date" shall mean the record date for determining eligible account holders of an institution.

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Section 1075.1150 Employee

The term "employee" does not include an officer or a director.

Section 1075.1155 Equity Security

The term "equity security" means any stock or similar security or any security convertible, with or without consideration, into such a security, or carrying any warrant or right to subscribe to or purchase such security, or any such warrant or right.

Section 1075.1160 Insured Institution

For purposes of this Part, the term "insured institution" shall include any institution with accounts insured by the Federal Deposit Insurance Corporation ("FDIC").

Section 1075.1165 Member

The term "member" means any person qualifying as a member of an insured institution pursuant to its charter or bylaws.

Section 1075.1170 Net Worth

The term "net worth" means the aggregate of capital stock accounts, capital surplus and retained earnings accounts and all other reserve accounts except valuation reserves and specific reserves which are in the nature of valuation reserves.

Section 1075.1175 Officer

The term "officer" means the chairman of the board, president, vice-president, secretary, treasurer, or principal financial officer, comptroller or principal accounting officer, and any other person performing similar functions with respect to any organization whether incorporated or unincorporated.

Section 1075.1180 Person

The term "person" shall mean an individual, a corporation, a partnership, an association, a joint stock company, a trust, any incorporated organization whether incorporated or unincorporated.

Section 1075.1185 Qualifying Deposit

The term "qualifying deposit" shall be the total of the deposit balances in the eligible account holders savings accounts as of the close of business on the eligibility record date. However, the

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Plan of Conversion may provide that any savings account with total deposit balances of less than $50.00 (or any lesser amounts) shall not constitute a qualifying deposit.

Section 1075.1190 Sale

The term "sale" and "sell" includes every contract to sell or otherwise dispose of a security or interest in a security for value, but such terms do not include an exchange of securities in connection with a merger or acquisition approved by the Commissioner, or the FDIC.

Section 1075.1195 Security

The term "security" includes any stock, note, treasury stock, bond, debenture, transferable share, investment contract, voting trust certificate, or in general, any instrument commonly known as a "security"; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, or warrant, or right to subscribe to or purchase any of the foregoing.

Section 1075.1200 Source Documents

The term "source documents" means documents which record the transaction of a business event, such as a sale of inventory, a purchase of a capital asset, establishment of a debt, or receipt of goods ordered. Typical source documents include sales invoices, bills of sale, purchase orders, and delivery tickets. Periodic invoices and statements of account are also examples of source documents.

Section 1075.1205 Subsidiary

A "subsidiary" of a specified person is an affiliate, controlled by such person, directly or indirectly through one or more intermediaries.

Section 1075.1210 Liquidation Account and Proxies

a) Each mutual savings bank converting to form a holding company must establish a "liquidation account" for members of the mutual savings bank before conversion. The total amount allocated to the liquidation account shall be equivalent to the amount of stock issued to the holding company by the stock subsidiary upon infusion of assets and liabilities to the stock subsidiary.

b) Each member of the liquidation account who maintains an

account in the stock subsidiary savings bank(s) shall be entitled, upon liquidation of the mutual holding company, to a fractional share of the value of the mutual holding company. The numerator of the fractional share shall be the amount of qualifying deposits in the member's account on the record eligibility date, which date shall be set by the board of directors in their Plan of Conversion and/or application to form a mutual holding company, and/or the supplemental eligibility record date and the denominator of the fractional share shall be the total amount of qualifying deposits of all eligible and supplemental eligible account holders in the converting mutual savings bank on the eligibility record date. Any plan to liquidate the mutual holding company must be approved by the Commissioner and must satisfy all claims of creditors, including liquidation account holders. Any remaining value in the mutual holding company shall be transferred to the capital accounts of the subsidiary stock savings bank(s).

c) All proxies previously executed and assigned by members of the mutual savings bank converting to form a holding company shall remain valid and effective without impairment as long as the member maintains an account in the new stock savings bank.

Section 1075.1215 Mutual Holding Company Ceasing to be a Depository Institution

a) Each mutual savings bank which converts to holding company status in conjunction with the chartering of a stock subsidiary shall be issued a "restated or amended charter" as a mutual thrift holding company by the Commissioner and the directors shall either return the original charter, insurance undertakings and certificate of insurance to the issuing authority, as evidence of ceasing to be an insured depository institution. These items may be transferred to the stock subsidiary with permission of the Commissioner. Such permission shall be given upon successful completion of an examination to assure conformance with regulatory and statutory requirements.

b) Upon the issuance of the charter as a mutual savings bank by the Commissioner, a mutual holding company shall cease to be a savings bank, thrift, savings and loan association, or depository institution of any type.

Section 1075.1220 Directors of a Mutual Holding Company

a) Each new board of directors for the holding company shall be selected by vote of members, in a process to be determined by the bylaws of each entity.

b) Each board of directors shall have at least five (5) members.

c) Sections 4008, 4009, 4010, and Article 11 of The Act shall apply to a mutual holding company with regard to directors' vacancies, directors' attendance at meetings, qualifications to be a director, enforcement powers, and similar matters, except that the holding company may file a written request for waiver of compliance with any provision with the Commissioner. Such request must provide detailed discussion of the grounds for such request. In determining whether to grant a waiver of compliance, the Commissioner shall consider the following factors, including, but not limited to:

1) where application of those provisions to holding companies would be inappropriate because the provisions were drafted for savings and loans;

2) where a holding company and its subsidiary meet or exceed all applicable capital requirements and are not in violation of any statutes or rules;

3) where there are not current contested or regulatory matters; and

4) where waiver would work undue hardship or result in undue advantage or risk, prejudicing a situation currently or in the future.

d) Upon creation of the stock subsidiary, the board of directors of the original mutual savings bank shall nominate a board of directors for the stock subsidiary.

e) A mutual holding company may provide for cumulative voting for directors in its bylaws.

Section 1075.1225 Stock Sales

At least 51 percent of the stock issued by the subsidiary stock savings bank must be owned by the holding company.

Section 1075.1230 Stock of a Subsidiary of a Mutual Holding Company

a) The stock subsidiary shall issue shares to the holding company only after sufficient assets to match transferred deposit liabilities are transferred to the subsidiary and after written confirmation of continuation of insurance of accounts is received from the appropriate Federal Depository Insurance Corporation or its agent.

b) Stock issuance shall initially be only common stock, but other classes of stock may be issued upon application to and approval by the Commissioner.

c) Each share of common stock shall entitle its owner to one vote.

Section 1075.1235 Stock Subsidiary Formation

In conjunction with the formation of a stock subsidiary of a mutual thrift holding company, the requirements of Article 3, INCORPORATION AND ORGANIZATION, of The Act shall apply with the following additions.

a) In the case of a change of corporate form, which does not alter the assets and liabilities of the original savings bank as transferred to the resulting stock subsidiary with regard to their amount or quality, the "minimum initial capital...which would be required to obtain insurance of accounts by the Federal Deposit Insurance Corporation" shall mean the amount of minimum capital which the original savings bank was required to have to maintain its federal insurance of accounts.

b) The application to organize shall be made by the directors of the original savings bank. Copies of directors' and officers' affidavits and statements of personal interest from the last five (5) years' examination reports may be submitted to the Commissioner to the extent that they provide business and financial information on affiliations with any other financial institutions. Each applicant shall submit amendments to these materials to provide omitted, but required, information.

c) Exhibits and maps shall display the original and new savings bank's customer area, and provide quarterly Federal and/or State reports for the four quarters

preceding application, as well as the original savings bank's last two (2) audited financial statements.

d) The Commissioner may require information as to:

1) how stock shall be distributed. Such reports shall be required upon formation of the holding company, before issuance or marketing of stock and at any other time necessary to ensure fundamental fairness to stockholders, members, depositors and for reasons related to the safe and sound financial operation of the savings bank;

2) whether depositors of the old savings bank shall continue to hold voting and membership rights in the new savings bank;

3) the form and manner of expressing ownership; and

4) the amount of treasury stock which shall be held; and any planned issuances of capital stock or equity securities, with projected dates and amounts.

e) Once the stock subsidiary is formed, if the original mutual savings bank no longer retains any deposits, it shall no longer be required to maintain insurance of accounts.

Section 1075.1240 Net Worth Maintenance Agreement

a) The Commissioner shall require each mutual holding company to execute a "Net Worth Maintenance Agreement" for each subsidiary depository institution it acquires. Under this Agreement the holding company shall contractually agree to infuse equity capital as needed to maintain capital at a predetermined level for each subsidiary depository institution. The Agreement shall:

1) be for a specified term, in a higher amount to be set by the Commissioner taking into account such factors as capital risk (the risk from normal internal operations of the savings bank), market volatility (external risk to the savings bank's operations generated by uncontrolled factors such as: equity and bond markets, money supply, inflation), and stock ownership patterns (such as common, voting common, voting preferred, non-voting preferred, etc.);

2) explicitly consent to the Commissioner's authority to require infusion of additional equity capital when he determines the savings bank fails to meet its capital requirements. Such a determination shall be in accordance with Section 5007 of The Act;

3) explicitly give the Commissioner the right to vote and dispose of the stock of any subsidiary institutions whose capital is not restored within five (5) business days of the Commissioner's determination of the need for additional capital; and

4) establish procedures to effectuate subsection (a)(3) above including provision of notice to all affected parties and selection of time and place at which the vote and disposition will occur.

b) The Commissioner's right to vote stock shall include all shareholder matters, including the right to remove and replace the Board of Directors, the right to merge the savings bank and the right to sell the stock.

c) The Commissioner shall base determination of a capital deficiency upon:

1) reports from the subsidiary savings bank or the mutual holding company and, or;

2) audited financial statement of the mutual holding company or the subsidiary savings bank and, or;

3) examination, including examination by another government regulator, or a federal deposit insurance company, of the mutual holding company or the subsidiary savings bank.

d) In determining adequacy of capital, the Commissioner shall review and examine the financial condition of entities which are affiliates or subsidiaries of the holding company and of the subsidiary savings bank. If there is a determination by the Commissioner that the subsidiary activity of the holding company represents a higher level of risk to the savings bank than existed before the application of the holding company formation, a higher capital amount shall be required and the basis of the Commissioner's decision shall be communicated in writing within thirty (30) days to the savings bank and

holding company.

e) All infusions to capital under this Section must be in cash or cash equivalent instruments such as: overnight deposits and federal funds.

Section 1075.1245 Members' Rights

Rights of members of the original mutual thrift savings bank shall be transferred to the mutual holding company, except that a savings bank may eliminate borrowers' rights in the process of forming the holding company by incorporating a new definition of membership in the holding company's and subsidiaries' Articles of Incorporation. Each depositor in the stock subsidiary shall be a member of the mutual holding company and shall have one vote for each $100.00 of value of each account.

Section 1075.1250 Investment

A mutual holding company may invest in the stock of or other forms of equity ownership of any company or entity which the board of directors determines to be in the best interests of stock owners and depositors, and such investment shall be documented in the holding company's minutes with reference to items such as price/earnings rates, future prospects, sources of income, level of risk, compatibility with the overall business plan of the holding company and complete disclosure of any directors', officers', employees' or 5 percent or more stockholders' interests in the entity.

Section 1075.1255 Notice Requirement/Corrective Action

A holding company shall give immediate written notice to the Commissioner of any corrective action ordered or requested by a governmental agency, relative to the financial affairs of the holding company, except those actions ordered by the Commissioner of Savings and Residential Finance. A holding company shall give written notice before acting upon such orders or requests, except when such order is effective immediately upon receipt. The method of transmittal shall be by messenger mail, private messenger service or telefax transmittal. Any such corrective actions required to be performed immediately shall be reported to the Commissioner within twenty-four (24) hours of receipt.

Section 1075.1260 Insider Abuses

Matters or issues resulting from apparent wrongdoing, including insider abuses, shall be brought to the Commissioner's attention

within ten (10) business days after discovery, by the appropriate management personnel of the holding company. Copies of any required reports including police and Federal Bureau of Investigation reports shall be included with the notification to the Commissioner.

Section 1075.1265 Determination of the Qualification and Condition of an Out-of-State Acquisition

When requested, the Commissioner shall review the laws of any state to determine whether the laws of that state expressly authorize an Illinois savings bank holding company to acquire a savings bank or savings bank holding company in that state. The Commissioner shall issue a finding that such other state law either does or does not provide qualifications and conditions which are unduly restrictive for the acquisition when compared to those imposed by the laws of Illinois.

Section 1075.1270 Disposal of a Subsidiary

Each holding company disposing of a subsidiary shall give not less than thirty (30) days prior notice of such planned disposition to the Commissioner.

Section 1075.1275 Dividends

The declaration of dividends on capital by a stock subsidiary shall be subject to the following restrictions:

a) no dividends may be declared when the total amount of capital of such subsidiary is less than that required by the Commissioner as set forth in Section 5007 of The Act;

b) cash dividends may be declared as often as quarterly on shares of stock, after payment or provision has been made for all expenses, losses, required reserves and dividends on withdrawable capital. A stock dividend may be declared out of undivided profits at any time.

Section 1075.1280 Officers and Directors List

The secretary of each holding company shall submit to the Commissioner a list of all officers and directors of the holding company. This list shall be submitted within ten (10) days after the election of the holding company's board of directors, and any changes or additions in the list shall be submitted to the Commissioner within ten (10) days after the occurrence of such change or addition. Along with such list there shall also be

submitted an affidavit executed by each officer and director containing a statement which shall set forth details as to the present and, for the five (5) years preceding the business of every officer and director and the nature of their prior affiliations with any other financial institution and its subsidiaries, holding company or subsidiary of a financial institution holding company.

Section 1075.1285 Access to Books and Records

Access to subsidiaries' and holding companies' books and records shall be subject to The Act, the Illinois Business Corporations Act (Ill. Rev. Stat. 1989, ch. 32, par. 157.1 et seq.), the Illinois Freedom of Information Act (Ill. Rev. Stat. 1989, ch. 116, par. 201 et seq.), and the United States Administrative Procedure Act (5 U.S.C. 552). Access to the books and records of savings banks held as subsidiaries shall be subject to Section 4013 of The Act.

Section 1075.1290 Annual Audit Requirements

Every registrant shall cause its books and records to be audited at least once annually by an independent licensed public accountant. The Commissioner shall receive a copy of the licensed public accountant's annual audit report, along with all supporting documentation. The report of audit shall be on a consolidated basis unless, in the auditor's opinion, certain subsidiaries or parent entities should be reported on separately. If separate reports are prepared, they should be prepared on the same basis as the report on the holding company. A "registrant", for purposes of this Section, shall refer to each holding company subject to Section 2002 of The Act.

Section 1075.1295 Maintenance of Records

Every registrant shall maintain such corporate books and records as may be necessary to facilitate a full, complete examination of the activities of the entity. While the books and records will be primarily of an accounting nature, certain other records such as minutes of meetings shall be required to document review and approval of activities and plans.

a) All accounting records shall be maintained in accordance with The Act.

b) All stock entities shall at a minimum maintain or cause to be maintained on their behalf full, complete lists of stockholders including address, state of residence, taxpayer identification number, amount of stock owned, and any other data necessary to determine the principals

and ownership of the entity.

c) All registrants shall prepare and maintain a full, complete book of minutes for meetings of the board of directors, executive management committees, and other meetings wherein business of a substantial nature is contemplated or transacted. This requirement shall be in effect for all subsidiary entities of the registrants as well.

d) Primary records such as books of record and source documents shall be maintained by the individual registrant for a period of not less than seven (7) years, provided that if a longer retention period is prescribed by another regulatory body having jurisdiction over the registrant, that longer period shall be followed.

Section 1075.1300 Notice of Appointment of Independent Accountants

a) Notice shall be made to the Commissioner of the appointment of the licensed public accountant not less than sixty (60) days before the fiscal year-end of the holding companies. Any change in the licensed public accountants shall be forwarded to the Commissioner within sixty (60) days of such change along with a letter from the replaced accountant stating whether the change was the result of a dispute over the accounting treatment of a material matter.

b) Copies of the Annual Audit shall be filed, in triplicate, with the Commissioner's Office within ninety (90) days of the fiscal year-end of the registrant.

Section 1075.1305 Holding Company Filing Fees

Filings pertaining to matters named hereafter shall be subject to the indicated fee. Such fee shall be paid at the Commissioner's Office at the time of filing. Payment shall be by check, draft, or money order made payable to the Commissioner of Savings and Residential Finance.

a) Registration fee
(Section 2002 of The Act). . . . . $1,000.00.

b) Conversion of Charter
(Article 8 of The Act) . . . . . $2,500.00.

(Although conversion may occur, if a state-chartered savings bank is held, the holding company will still have to be licensed by the Office of the Commissioner of Savings and Residential Finance.)

c) Hearing or Oral Argument - each applicant requesting a hearing or oral argument and/or each objector requesting a hearing or oral argument and/or each adversary participating in a hearing or oral argument.
(Section 9018 of The Act) . . . . . $ 500.00.

Each applicant requesting a hearing or oral argument and/or each objector requesting a hearing or oral argument and/or each adversary participating in a hearing or oral argument shall bear its pro rata share of all expenses incurred in said proceedings.

d) Application for Subsidiary Acquisition Fee, Illinois Savings Bank Holding Company.
(Article 2005 of The Act) . . . . . $ 250.00.

Section 1075.1310 Holding Company Supervisory Fees

a) Each savings bank holding company operating under The Act as of the close of each calendar year shall pay annually to the Commissioner a fee of $5.00 per million dollars of consolidated assets (excluding the assets of any Illinois State-chartered savings bank or savings and loan association) of the savings bank holding company and its subsidiaries. Such fee shall be based on the total assets of each savings bank holding company and each subsidiary as shown by its financial report filed with the Commissioner for the reporting period ended December 31. Such fees shall be for the calendar year then ended. Computations shall omit hundreds from the total assets and the fee shall be rounded to the nearest dollar amount.

b) One fourth of the sum of the supervisory fee so determined shall be remitted at the time of each calendar quarter end. A calendar quarter end shall mean March 31, June 30, September 30, and December 31. Such fees shall be for the respective current calendar year.

c) Supervisory fees shall be determined by the Commissioner within ninety (90) days following the close of the respective calendar year; however, the dates of billings shall not prejudice the validity of an invoice for any

such fees billed at a later date.

d) In the situation where service corporations and/or finance subsidiaries are owned by the savings bank, the owned assets may be consolidated with the assets of the savings bank for calculation of this fee. If the finance subsidiary is not active and is in the form of a Collateralized Mortgage Obligation or a similar vehicle, the Commissioner shall waive that portion of the fee attributed to the finance subsidiary.

e) In the event the state charter is converted or otherwise surrendered during the year, the Commissioner shall determine the supervisory fee based on the total assets of the savings bank holding company as of the month-end immediately preceding the cancellation of the state charter, except that the measurement date may be another date at the discretion of the Commissioner in the event a savings bank holding company elects to liquidate. In determining whether to set another measurement date, the Commissioner shall consider the following elements: whether the savings bank is undergoing a planned liquidation (where a savings bank elects to not continue operations), or, the savings bank has transferred significant assets (more than 1/2 of 1 percent of the total assets at the previous measurement date).

Section 1075.1315 Examination Fees

Time expended in the conduct of any examination of the affairs of any savings bank or service corporation pursuant to Section 9004 of The Act or applicable service corporation undertakings, respectively, shall be billed by the Commissioner at a rate of $29.00 per examiner hour. Such fee shall be billed within forty-five (45) days following completion of the respective examination. In the situation where examination procedures are performed at out-of-state locations, the examination fee of $29.00 per hour plus travel, lodging and per diem shall be assessed. Additionally, travel time shall be billed at the examination rate of $29.00 per hour.

Section 1075.1320 Conditions

a) No submission subject to a fee shall be considered complete without the stipulated fee.

b) The fee shall be non-refundable regardless of the subsequent action with respect to the submission.

Section 1075.1325 Manner of Payment

Each invoice for a fee billed by the Commissioner pursuant to Sections 1075.1305, 1075.1310 and 1075.1315 of this Part shall be due and payable upon receipt of same by the savings bank or service corporation. Payment shall be by check, draft or money order made payable to the Commissioner of Savings and Residential Finance.

SUBPART K: CONVERSION OF AN EXISTING DEPOSITORY INSTITUTION INTO AN ILLINOIS SAVINGS BANK

Section 1075.1400 Scope of Rules

No existing depository institution shall convert to an Illinois savings bank without the written approval of the Commissioner pursuant to these rules.

Section 1075.1405 Definitions

Words or terms that are defined in The Act shall retain the same meaning when used in these regulations.

"APPLICANT" means an existing depository institution that has applied to convert to an Illinois savings bank pursuant to these provisions.

"CONVERSION PLAN" means a plan adopted by an existing depository institution in order to convert into an Illinois savings bank pursuant to these regulations.

"CONVERTING DEPOSITORY INSTITUTION" or "CONVERTING INSTITUTION" means an existing depository institution that is in the process of converting to an Illinois savings bank.

"RESULTING SAVINGS BANK" means an existing depository institution that has converted to an Illinois savings bank pursuant to these regulations.

Section 1075.1410 General Rules for Conversion Plan

a) An application for conversion shall be approved only if the Commissioner finds that:

1) the conversion plan adopted by the applicant's board of directors or trustees (hereinafter "board"), and all documentation submitted in support of the application for conversion complies with the

provisions of these regulations, The Act, and other applicable provisions of law;

2) the resulting savings bank will operate in a safe, sound and prudent manner;

3) the conversion plan will result in a savings bank that has adequate capital, and satisfactory management and earnings prospects as prescribed in The Act;

4) the owners and directors of the converting depository institution and of the resulting savings bank are qualified by character and financial responsibility to legally and properly control and operate the proposed savings bank to be formed as a result of the conversion plan;

5) the converting depository institution has taken steps to obtain insurance of accounts from the deposit insurance corporation;

6) the conversion plan is equitable to account holders, borrowers, creditors, employees or stockholders and is in the public interest; and

7) the converting institution has paid all outstanding bills for supervisory fees, examination fees, and penalties associated with its original charter.

b) The experience and the performance record of the persons to be in control or in key management positions shall be evaluated by the Commissioner as to the probability of sound operation of the resulting savings bank.

c) The Commissioner shall make the same investigation and determine the same questions as would be required by law to make and determine in the case of the submission to the Commissioner of an Articles of Incorporation for a proposed new Illinois savings bank.

d) A conversion plan shall be approved if it is in compliance with applicable state and federal law.

Section 1075.1415 Adopting and Filing of a Conversion Plan

a) The board of directors of an existing depository institution desiring to convert in accordance with these

regulations shall adopt a conversion plan at a meeting of such board of directors.

b) Upon the adoption of the conversion plan as provided in subsection (a) above, an existing depository institution shall file with the Commissioner three copies of the application for approval of a Plan of Conversion, which shall include the conversion plan and each document required to be part of the conversion plan. The application shall be in the form required by the Commissioner.

c) An application for approval of a conversion plan shall contain:

1) certification by the presiding officer and/or secretary of the depository institution of the resolutions of the board of directors adopting the conversion plan and authorizing the filing of the application for approval of the conversion plan;

2) a copy of the conversion plan, signed by the president of the depository institution and attested by its secretary;

3) a duly adopted amendment to the by-laws of the depository institution specifying that notwithstanding any contrary provision of its by-laws, its conversion from its present original status to an Illinois savings bank shall be in accordance with the provisions of The Act and the rules promulgated thereunder;

4) a proposed set of amended or restated Articles of Incorporation as an Illinois savings bank; and

5) such other information as the Commissioner may require upon written notice to the converting depository institution.

Section 1075.1420 Conversion Plan Requirements

a) The Plan of Conversion shall:

1) state the business purposes to be accomplished by the Plan of Conversion including why the board of directors believes the conversion would be in the best interest of the existing depository institution

and the public;

2) set forth the terms of the conversion and the manner in which it is to be accomplished;

3) provide a business plan of the resulting savings bank for the three-year period following the conversion. The plan shall contain the following:

A) introduction;

B) mission statement;

C) corporate objectives;

D) corporate strategies;

E) financial projections including annual pro forma balance sheets, statements of financial condition, and income and expense reports; and

F) proposed charter, Articles of Incorporation, and by-laws;

4) list the names and addresses of directors and officers, including all officers through the level of vice-president or any others with equivalent responsibility or power, of the converting depository institution. Also, if the converting institution contemplates changes of the directors or officers upon becoming a savings bank, then the names and addresses of such persons shall be provided. For all named persons, provide any annual directors' and officers' reports filed with any regulatory authority for the last five (5) years before the date of this conversion plan;

5) each person listed in subsection (a)(4) above shall disclose his or her affiliations with insured depository institutions and their subsidiaries and affiliates, for the last five years, including advances of credit of more than $50,000; equity investments of more than 10% of outstanding stock; service as a director or officer; and any business relationship which generated more than $10,000 per year or an aggregate of $50,000 per relationship in cash or other items of measurable value;

6) each person listed in subsection (a)(4) above shall execute and submit as part of the conversion plan, an affidavit setting forth all felony convictions and civil or administrative sanctions and all involvement in pending litigation pertaining to them;

7) provide the names and addresses of all persons or entities that own, control, hold with the power to vote, or hold proxies representing 10 percent or more of the shares of the converting depository institution;

8) provide the addresses and telephone numbers for all offices and branches of the applicant;

9) provide all documents in connection with any transfer or conversion to a stock institution by converting institution within the three (3) years preceding application for approval of a conversion plan;

10) provide that the conversion plan adopted by the applicant's board of directors may be substantively amended by the board as a result of the comments of regulatory authorities and at any time with the approval of the Commissioner; and that the conversion may be terminated by the board at any time;

11) establish a time period within which the conversion must be completed. The completion date shall not be completed more than six (6) months from the date that the board of directors approves the plan and shall not be extended by the converting institution without approval of the Commissioner;

12) set forth the sequence and timing of the events connected with the conversion plan;

13) list the estimated expenses of the conversion to the applicant and provide that expenses incurred shall be reasonable;

14) furnish an opinion of the applicant's counsel as to compliance with all applicable requirements of state and federal law;

15) furnish an opinion of the applicant's tax advisor or certified public accountant or an Internal Revenue ruling as to the tax consequences of the conversion plan to the applicant and, if applicable, to account holders or share holders;

16) furnish, if applicable, an opinion of the applicant's tax advisor or certified public accountant or an Illinois Department of Revenue ruling as to the tax consequences of the conversion plan under the laws of Illinois;

17) furnish an opinion of applicant's certified public accountant regarding the appropriateness of the accounting treatment for the transaction and the conformity of such accounting treatment to generally accepted accounting principles, except where other accounting principles are imposed by the Federal financial institution regulatory agency that oversees the converting depository institution and states that those principles are utilized in the preparation of the statements prepared in accordance with the conversion plan;

18) provide a set of audited financial statements, including a balance sheet, statement of financial condition, and income and expense report, as of the fiscal year immediately preceding the date of adoption by the applicant's board of directors of the Plan of Conversion;

19) provide the latest quarterly and monthly reports of condition that are required by the financial institution regulatory agency that oversees the converting depository institution;

20) provide, if applicable, copies of all approvals and notices required by federal law in connection with the conversion; and

21) provide minutes of the meeting of shareholders of the applicant institution authorizing the conversion, including notice to the shareholders, proxy material, and conversion plan as submitted to the shareholders, certified by the presiding officer or secretary of the meeting.

b) If the converting depository institution is chartered

pursuant to Federal law, the conversion plan shall, in addition to the requirements of subsection (a) above:

1) provide true copies of the last two (2) supervisory examination reports of all Federal financial institution regulatory agencies authorized to oversee the converting depository institution including all supervisory correspondence and responses to such correspondence;

2) provide, for the period of the three (3) years preceding the adoption of the conversion plan by the board of directors, true copies of all supervisory orders issued by any Federal financial institution regulatory agency in connection with such agency's supervision of the converting depository institution;

3) provide, for the period of the three (3) years preceding the adoption of the conversion plan by the board of directors, true copies of all supervisory agreements entered into by any Federal financial institution regulatory agency and the converting depository institution; and

4) provide a true copy of the latest quarterly report of condition such as Thrift Financial Report or Quarterly Call Report filed with any Federal financial institution regulatory agency by the converting depository institution;

5) provide, for the period of the three (3) years preceding the adoption of the conversion plan by the board of directors, true copies of the annual Federal disclosures and all other reports, disclosures and correspondence filed with any Federal financial institution regulatory agency by the converting depository institution.

c) If, under Federal or State law, the converting depository institution is considered to be owned or controlled by a depository institution holding company, in addition to the applicable requirements of subsection (a) and (b) above, the conversion plan shall include:

1) the names and addresses of all holding company directors and officers, including all officers through the level of vice-president and all others

with equivalent responsibility or power;

2) the names and addresses of all persons or entities that own, control, hold with power to vote, or hold proxies representing 10 percent or more of the voting shares of the holding company; and

3) the names and addresses of all affiliates and subsidiaries of the holding company.

d) The Commissioner may, upon request of the applicant, and where consistent with the protection of account holders and others, permit the omission of items herein required or the substitution of comparable items. The Commissioner may also require the inclusion of other items in addition to, or in substitution of, the items herein required in any case where such items are necessary or appropriate for an adequate presentation of the financial condition of any person or entity whose financial statements or reports are required, or whose statements or reports are otherwise necessary for the protection of account holders and others.

Section 1075.1425 Vote by Shareholders and Depositors

a) The conversion plan shall not be submitted to eligible shareholders or eligible depositors until the plan is approved by the Commissioner.

b) The voting record date for determining whether a shareholder or depositor is eligible to vote shall not be more than forty (40) days nor less than ten (10) days before the date such vote is taken.

c) Upon application to the Commissioner and for good cause shown an applicant may dispense with mailed notice of the date of vote for conversion, to depositors and shareholders. In cases where notice is mailed to eligible depositors and shareholders, each mailed notice shall include at least, a summary statement of the Plan of Conversion, the proposed ballot or proxy and a copy of the proposed Articles of Incorporation. Each notice whether mailed, posted or published shall state the time, place and governing rules for the vote.

d) Each person holding one or more withdrawable accounts entitling the holder to voting rights, shall have the vote of one share for each $100.00 of aggregate

withdrawable value of the accounts and shall have the vote of one share for any fraction of $100.00; except that any member of a mutual institution chartered with "Federal Charter K Revised" may not cast more than 50 votes in keeping with the provisions of said charter.

e) Each holder of capital stock held shall have one vote for each share held.

f) Shares owned by the applicant depository institution shall not be counted or voted.

g) Approval of a conversion plan shall require an affirmative vote by a majority of the votes cast by the applicant's eligible voters.

h) The converting depository institution must submit a certification by the presiding officer and/or secretary of the depository institution that the conversion plan and the revised Articles of Incorporation have been approved by the shareholders of the depository institution; together with the following information:

1) the total number of votes eligible to be cast;

2) the total number of votes cast;

3) the total number of votes approving or rejecting the applicant's conversion plan and adopting the revised Articles of Incorporation;

4) the percentage of votes cast to approve such Plan of Conversion and adopt the revised Articles of Incorporation; and

5) the date on which the vote was held.

Section 1075.1430 Issuance of Certificate of Approval

The Commissioner, upon approving a conversion plan, shall issue a certificate of approval of the conversion plan which shall authorize the applicant to proceed with its conversion plan. The Commissioner may add such conditions to the certificate of approval as he or she considers necessary.

Section 1075.1435 Final Approval of the Conversion

a) Upon a determination by the Commissioner that all

applicable requirements of law have been met, including the surrender of the original charter, the Commissioner shall issue to the applicant a Certificate of Authority to Operate. The savings bank shall then file its amended charter and Articles of Incorporation as an Illinois savings bank with the County Recorder in the county in which the savings bank is headquartered.

b) Upon such filing, the applicant shall be an Illinois savings bank under sole supervision of the Commissioner and of the Federal Deposit Insurance Corporation.

Section 1075.1440 Powers of Resulting Savings Bank

The resulting savings bank shall have all the rights, privileges, and powers granted by its amended charter and by the statutes applicable to savings banks holding such charters, and the entire assets, business, and goodwill of the converting depository institution shall be vested in the resulting savings bank without deed or transfer, provided such resulting savings bank may execute such deeds or instruments of conveyances as may be convenient to confirm such transfer, and such resulting savings bank shall assume and be liable for all debts, accounts, undertakings, contractual obligations, and liabilities of the converting depository institution.

Section 1075.1445 Obligations of Resulting Savings Bank

The resulting savings bank shall be subject to the duties, relations, obligations, trusts, and liabilities of the converting depository institution, whether as debtor, depository, registrar, transfer agent, executor, administrator, trustee, or otherwise, and shall be liable to pay and discharge all such debts and liabilities, to perform all such duties, and to administer all such trusts in the same manner and to the same extent as if such resulting savings bank had itself incurred the obligation or liability or assumed the duty, relation, or trust; and all rights of creditors and all liens upon the property of such resulting savings bank shall be entitled to receive, accept, collect, hold, and enjoy any and all gifts, bequests, devises, conveyances, trusts, and appointments in favor of or in the name of such converting depository institution, whether made or created to take effect before or after the conversion.

Section 1075.1450 Directors of Resulting Savings Bank

The persons named as directors in the amended Certificate of Incorporation shall be the directors of the resulting savings bank

until the first election of directors thereafter, or until the expiration of their terms as directors, and shall have the power to take all necessary measures and to adopt regulations concerning the business and management of the resulting converted savings bank.

SUBPART L: SUPERVISION

Section 1075.1500 Sale of Offices, Facilities and Equipment

Offices and Facilities

a) A savings bank contemplating sale of any office(s) or facilities to another financial institution (depository institution) must provide ninety (90) days notice to the Commissioner of its intent to do so. A copy of a signed letter of intent to purchase must be received by the Commissioner at least thirty (30) days before the closing date of the contemplated sale.

b) Notice to the Commissioner shall include:

1) address(es) of the facilities and offices to be sold;

2) analyses of the accounts, loans and obligations of the facilities' and offices' business;

3) a draft of notifications to be sent to all parties who would be affected by the sale, including depositors, creditors, account holders, and borrowers;

4) notifications must detail names and addresses of the seller and buyer, what business will be transferred to the buyer, if anything shall remain with the seller, when business remaining with the seller will be administered;

5) all final notifications under this Section must be registered mail, certified mail, or personally delivered. A time schedule for notifications must be included; and

6) an analysis of the effect on the selling savings bank's financial condition, including discussion of any accounting issues, and pro forma financial statements for before and after the transaction.

COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE

NOTICE OF ADOPTED RULES

Specific discussion must be included about the manner of payment and deviation of pricing.

Section 1075.1510 Purchase of Offices

a) A savings bank seeking to purchase an office or other facility to provide depository and credit services to the public at that site under its own name must apply to the Commissioner as though the site will be a de novo branch, under Subpart G of this Part.

b) A savings bank seeking to purchase a facility or facilities from another financial institution must make application as required under Subpart G of this Part.

Section 1075.1520 Bridge Charters

a) A savings bank may apply to the Commissioner for authority to form a "bridge charter" to facilitate a corporate restructuring or voluntary change, only on condition that an additional savings bank is not created.

b) The Commissioner may only authorize the formation of an interim savings bank charter under this Section. An applicant desiring another type of financial institution charter shall apply for same to the regulator appropriate to that charter.

c) Each application shall specify the purpose of the interim charter, the required end result, the ownership size, capital business plan, management structure, and duration of the initial, interim and final savings bank.

d) An applicant for an interim charter under this Section shall inform the Commissioner of any transaction contemplating use of an interim Charter at least ninety (90) days before the closing date of the transaction.

e) Except to the extent established by the original savings bank, no interim charter may do retail business with the public; advertising; make purchases; pay salaries, bonuses, fees or obligate to hire, or contract.

f) An interim charter may exist for no more than three (3) days which may not be business days. On a normal business day, an interim charter may not be in existence for more than the time required to sign or otherwise finalize documents.

COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE

NOTICE OF ADOPTED RULES

Section 1075.1530 Unsafe and Unsound Practices

a) If the Commissioner receives notice of failure to renew or of cancellation of the bond required by Section 4009(a) of The Act, or if such bond is determined, from examination or from reports made by the savings bank, to be inadequate when compared:

1) with the amounts of such bond carried by savings banks of comparable capital size, pursuing similar investment policies and similar management capabilities; or,

2) with amounts required by its federal insurer of accounts, he or she shall immediately pursue one of the remedies enumerated in Articles 9 and 10 of The Act.

b) In implementing Section 1002, "Policy and Purpose" of the Act, the Commissioner shall take into consideration the standards and policies of the Federal Deposit Insurance Act and the rules promulgated thereunder.

Section 1075.1540 Failure to Comply with Report of Examination

If the Commissioner determines that a savings bank has failed to comply with recommendations made in or as the result of a report of examination within forty-five (45) days after the date the report is transmitted, then he may poll the savings bank's officers and board of directors personally concerning his recommendations, and, absent convincing or compelling changes of information, market conditions or financial condition of the savings bank, he shall summarily issue a temporary suspension in writing to officers and directors who refused or prevented taking the recommended steps. Such suspension shall bar the specified individual until the Order is modified or vacated by the Commissioner.

Section 1075.1550 Publication

a) Publication shall be made once in a general or legal newspaper of the largest general circulation in:

1) the county of the savings bank's headquarters; and

2) in Sangamon County; or

3) in Cook County.

b) The notice shall:

1) cite Section 9005 of The Act;

2) provide the names of the savings bank, its officers and its board of directors; and

3) quote the particular directive, summarizing any explanatory material of more than 25 words.

SUBPART M: REMOVALS, SUSPENSIONS AND INDUSTRYWIDE PROHIBITION

Section 1075.1600 Scope

The Commissioner, in accordance with The Act and these rules, may remove or suspend any officer, director, employee or agent of a savings bank operating under The Act or prohibit an individual from further participation in any manner in the affairs at any savings bank operating under The Act.

Section 1075.1610 Notice of Intention and Answer

a) Subject to Section 1075.1630 of this Part, proceedings to remove or suspend an officer, director, employee or agent of a savings bank operating under The Act or to prohibit an individual from further participation in any manner in the affairs of any savings bank operating and regulated under The Act shall commence upon service of Notice of Intention to Remove, Suspend or Prohibit.

b) The notice shall:

1) state the grounds for the action;

2) recite the statutory basis for the action;

3) be signed by the Commissioner;

4) be with a notice of hearing on the matter that sets a hearing date within thirty (30) days of service of the notice of intention and names a hearing officer who shall conduct the hearing; and

5) include a copy of the Commissioner's rules pertaining to hearings.

c) Hearing shall be pursuant to these rules.

Section 1075.1620 Removal and Prohibition by Order

In the event of consent, or, if upon the record submitted by the presiding hearing officer pursuant to these rules, and subject to Section 1075.1630 of this Part, the Commissioner finds that any of the charges have been established, the Commissioner may issue an Order of removal or suspension from office or of prohibition from participation in any manner in the affairs of a savings bank operating under The Act. Such an Order is effective upon service (except in the case of an Order issued upon consent, which is effective at the time specified therein) and shall remain effective and enforceable unless stayed, modified, terminated or set aside by action of the Commissioner or a reviewing court.

Section 1075.1630 Suspension by Notice

a) Upon determination that such action is necessary for the protection of a savings bank operating under The Act or for depositors and in accordance with The Act and these rules, the Commissioner may by notice suspend an officer, director, employee or agent of a savings bank operating under The Act and suspend an individual from participation in any manner in the affairs of any savings bank operating under The Act.

b) A suspension Order by the Commissioner issued pursuant to this Section shall be in effect and enforceable upon service and, unless stayed by a reviewing court, shall remain in effect until the charges are dismissed and the administrative proceedings are completed, or until the effective date of any final Order of removal, suspension or prohibition that is issued by the Commissioner.

c) A suspension Order by the Commissioner issued pursuant to this Section shall:

1) contain findings of fact sufficient to support imposition of a suspension by notice;

2) recite the statutory basis for the Order;

3) appoint a hearing officer;

4) impose an immediate suspension of participation in any manner in the affairs of any savings bank operating under The Act;

5) be signed by the Commissioner or by a person

authorized to act in her or his stead; and

6) be with a notice of suspension that:

A) sets a hearing date within thirty (30) days of the date on which the Order takes effect;

B) names the hearing officer who shall conduct the hearing; and

C) includes a copy of the Commissioner's rules pertaining to hearings.

d) Subject to Subpart M of this Part, hearing shall be pursuant to Subpart I of this Part.

Section 1075.1640 Industrywide Prohibition

a) Any person subject to an Order of removal or suspension or prohibited from participation in any manner in the affairs of a savings bank operating under The Act upon an Order of the Commissioner, without hearing on the matter, shall be prohibited from participation in any manner in the conduct of affairs of a savings bank regulated by the State of Illinois, another insured depository institution regulated by the State of Illinois, or any other financial services entity regulated by the State of Illinois.

b) An Order for industrywide prohibition shall:

1) state the grounds for the industrywide prohibition;

2) recite the statutory basis for the action;

3) include the Order of removal, suspension or prohibition to which the party is subject; and

4) be signed by the Commissioner.

c) Notwithstanding subsection (a) above, a prohibition from participation shall cease to apply to the party, but only to the extent that consent is granted, if, on or after the date an Order is issued under this Section, a party receives the written consent of:

1) the Commissioner; and

2) all other regulatory bodies of the insured depository institution or financial services entity to which the party proposes to participate in the conduct of affairs.

d) Request for consent of the Commissioner shall be made in writing to the Commissioner. The decision of the Commissioner is not reviewable. The request shall include:

1) a written statement of the consent that is requested;

2) a written statement of the proposed participation in the conduct of affairs of an insured depository institution, financial or financial services entity; and

3) a written statement, supported by all relevant documentation, of the reasons why the party believes consent should be granted.

Section 1075.1650 Unauthorized Participation of Convicted Individual

a) Upon a finding by the Commissioner, without hearing on the matter, that a current or proposed officer, director, agent or employee of a savings bank operating under The Act has been convicted of any criminal offense involving dishonesty or a breach of trust, the Commissioner shall Order that such person shall not participate in any manner, at the conduct of affairs at a savings bank operating under The Act.

b) The Order of the Commissioner shall:

1) state the grounds for the Order;

2) recite the statutory basis for the Order;

3) include true copy of the final judgment of the conviction of the individual; and

4) be signed by the Commissioner.

c) Notwithstanding subsection (a) above, the Commissioner, upon prior request, may grant written consent to participate in a savings bank operated under The Act.

COMMISSIONER OF SAVINGS AND RESIDENTIAL FINANCE

NOTICE OF ADOPTED RULES

A request must be made in writing to the Commissioner. The decision of the Commissioner is not reviewable.

d) Request for consent of the Commissioner shall be made in writing to the Commissioner. The request shall include:

1) a written statement of the consent that is requested;

2) a written statement of proposed participation in the conduct of affairs of an insured depository institution or financial services entity; and

3) a written statement, supported by all relevant documentation, of the reasons why the party believes consent should be granted.

ILLINOIS RACING BOARD

NOTICE OF CORRECTION

1) Heading of the Part: Regulations for Meetings

2) Code Citation: 11 Ill. Adm. Code 1424

3) The Notice of Adopted Rules being corrected appeared at 14 Ill. Reg. 20545, dated December 7, 1990.

4) The information being corrected is as follows:

The sentence, "Suitable rails and adequate covering include, but are not limited to, rails and coverings that will maintain the weight of a thoroughbred race horse and jockey, that will not splinter or crack and that do not become brittle, hard or decayed over time when exposed to various weather conditions." was inadvertently omitted from the test of the adopted rule. However, the notice for the adopted rulemaking published on December 7, 1990 did contain reference and acknowledged that the sentence had been agreed to and added to the Section. Therefore Section 1424.140 has been corrected to read as follows:

Section 1424.140

All thoroughbred organizations shall install interior rails designed to ensure the safety of jockeys and horses and which are suitable to the Board. Any gooseneck rail shall have an adequate covering. Suitable rails and adequate covering include, but are not limited to, rails and coverings that will maintain the weight of a thoroughbred race horse and jockey, that will not splinter or crack and that do not become brittle, hard or decayed over time when exposed to various weather conditions.

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED

The following second notices were received by the Joint Committee on Administrative Rules during the week of January 22, 1991 through January 25, 1991, and have been scheduled for review by the Committee at its February 21, 1991 meeting. Other items not contained in this published list may also be considered by the Joint Committee at its February meeting. Members of the public wishing to express their views with respect to a proposed rule should submit written comments to the Joint Committee at the following address: Joint Committee on Administrative Rules, 509 South Sixth Street, Room 500, Springfield, IL 62701.

Second Notice Expires	Agency and Rule	Start of First Notice	Scheduled for Consideration by JCAR
3/8/91	Illinois Commerce Commission, Crossings of Rail Carriers and Highways (92 Ill. Adm. Code 1535)	11/9/90 14 Ill. Reg. 18177	February 21, 1991
3/11/91	Department of Revenue, County Water Commission Retailers' Occupation Tax (86 Ill. Adm. Code 630)	11/2/90 14 Ill. Reg. 17879	February 21, 1991
3/11/91	Department of Revenue, Service Occupation Tax (86 Ill. Adm. Code 140)	11/2/90 14 Ill. Reg. 17916	February 21, 1991
3/11/91	Department of Revenue, County Water Commission Service Occupation Tax (86 Ill. Adm. Code 640)	11/2/90 14 Ill. Reg. 17887	February 21, 1991
3/11/91	Department of Revenue, County Water Commission Use Tax (86 Ill. Adm. Code 650)	11/2/90 14 Ill. Reg. 17894	February 21, 1991
3/11/91	Department of Revenue, Motor Fuel Tax (86 Ill. Adm. Code 500)	11/2/90 14 Ill. Reg. 17897	February 21, 1991
3/11/91	Department of Public Health, Illinois Home Health Agency Code (77 Ill. Adm. Code 245)	9/14/90 14 Ill. Reg. 14699	February 21, 1991

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED
(page 2)

Second Notice Expires	Agency and Rule	Start of First Notice	Scheduled for Consideration by JCAR
3/11/91	State Employees Retirement System, Administration and Operation of the State Employees' Retirement System of Illinois (80 Ill. Adm. Code 1540)	11/26/90 14 Ill. Reg. 18712	February 21, 1991
3/11/91	Department of Conservation, White-Tailed Deer Hunting by Use of Muzzleloading Rifles (17 Ill. Adm. Code 660)	12/7/90 14 Ill. Reg. 19123	February 21, 1991
3/11/91	Department of Revenue, County Supplementary Retailers' Occupation Tax Act; Repeal of (86 Ill. Adm. Code 600)	11/9/90 14 Ill. Reg. 18195	February 21, 1991
3/11/91	Department of Revenue, County Supplementary Service Occupation Tax; Repeal of (86 Ill. Adm. Code 610)	11/9/90 14 Ill. Reg. 18208	February 21, 1991
3/11/91	Department of Revenue, County Supplementary Use Tax; Repeal of (86 Ill. Adm. Code 620)	11/9/90 14 Ill. Reg. 18217	February 21, 1991
3/11/91	Department of State Police, Drug Asset Forfeiture Procedure Act (20 Ill. Adm. Code 1225)	10/12/90 14 Ill. Reg. 16847	February 21, 1991
3/11/91	Department of Revenue, Municipal Service Occupation Tax Regulations (86 Ill. Adm. Code 280)	11/2/90 14 Ill. Reg. 17908	February 21, 1991
3/11/91	Carnival-Amusement Safety Board, Carnival and Amusement Ride Inspection Law (56 Ill. Adm. Code 6000)	3/2/90 14 Ill. Reg. 2989	February 21, 1990

JOINT COMMITTEE ON ADMINISTRATIVE RULES
ILLINOIS GENERAL ASSEMBLY

SECOND NOTICES RECEIVED
(page 3)

Second Notice Expires	Agency and Rule	Start of First Notice	Scheduled for Consideration by JCAR
3/11/91	Department of Rehabilitation Services, Disability Case Development Process (89 Ill. Adm. Code 843)	7/27/90 14 Ill. Reg. 12212	February 21, 1991
3/11/91	Department of Rehabilitation Services, Sequential Evaluation Process for the Determination of Disability (89 Ill. Adm. Code 845)	7/27/90 14 Ill. Reg. 12240	February 21, 1991

EXECUTIVE ORDER
91-1
IRAQ - ILLINOIS MILITARY PERSONNEL INCOME TAX EXTENSION

Whereas, the United States is gallantly fighting the aggression of Iraq in the Persian Gulf;

Whereas, thousands of Illinois men and women are proudly and bravely serving their country with the United Nations military coalition in that volatile area of the Middle East;

Whereas, no Illinois resident serving in the Operation Desert Storm maneuvers in the Persian Gulf Area or in support of the operation should be forced to concern himself or herself during the months immediately ahead with such matters as filing income tax returns;

Whereas, President Bush on January 21 declared the Arabian Peninsula areas, airspace and adjacent waters as a combat zone, granting service men and women a delay of at least 180 days after their military service in filing their federal income tax returns and providing them with an exemption from taxation for their military income;

Whereas, Illinois law generally mirrors the federal tax law but does not cover all the tax problems raised for these valiant men and women;

Whereas, the State does not wish to financially punish any Illinois resident on active military duty in the Persian Gulf by not providing them with the full benefits and exemptions available or assessing them any penalities or fines;

Now, Therefore, I hereby order as follows:

All state agencies, boards and commissions under my control are hereby ordered to liberally construe all programs and benefits available to State employees as military personnel and support personnel in the Persian Gulf Area so that the maximum programs and benefits will be granted to such employees. The Illinois Department of Central Management Services and the Illinois Department of Revenue also shall coordinate with all other State and federal agencies and take all other actions necessary to implement all provisions of this order.

I further order that the filing date for Illinois individual income tax returns, as provided by the Illinois Income Tax Act, shall be extended for United States military personnel in the Persian Gulf Area in conformity with the maximum time extensions provided for federal tax purposes in President Bush's Executive Order dated January 21, 1991 and further with any legislative action of the United States Congress.

I further order that all military income exempted from taxation under the U.S. Internal Revenue Code by the President's Executive Order and by any Congressional action shall be exempt from taxation in Illinois under the Illinois Income Tax Act for purposes of computing Illinois income tax liability.

I further order the Board of Appeals in the Illinois Department of Revenue to consider the issuance of a general ruling that would provide additional relief, including abatement

of penalties and interest for late payment or late filing for all Illinois residents serving as military personnel and or support personnel in the Persian Gulf Area, equivalent to that provided by Sections 7508 and 7508A of the U.S. Internal Revenue Code for federal income tax purposes.

This order shall take effect immediately.

Issued by the Governor January 25, 1991.

Filed with the Secretary of State January 25, 1991.

PROCLAMATION

91-012
UKRAINIAN INDEPENDENCE DAY

Whereas, Ukrainians have sought the refuge of Illinois and contributed to its growth and prosperity for more than 100 years; and

Whereas, Ukraine declared her independence and became a sovereign country January 22, 1918; and

Whereas, many Ukrainians left their homeland, but have not forgotten their heritage. Ukrainians have added to the colorful tapestry and strength of America by bringing their unique culture and ethnic practices along with them; and

Whereas, events in eastern Europe this year have added to the hopes of millions that the Communist region would allow independence for all captive nations. However, the recent wave of repression suggests that Moscow is attempting to forcibly preserve the Soviet Union, thereby denying independence to Ukraine and the other republics which are demanding autonomy and freedom;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim January 22, 1991, as UKRAINIAN INDEPENDENCE DAY in Illinois and encourage citizens to note the significance of this event.

Issued by the Governor January 18, 1991.

Filed with the Secretary of State January 28, 1991.

91-013
SCHOOL SOCIAL WORK WEEK

Whereas, school social workers provide services to thousands of Illinois school children in regular and special education settings to help these children maximize their learning potential and experience school success; and

Whereas, school social workers assist the most vulnerable children and adolescents, including children with handicaps, abused and neglected children, low-income and minority children, pregnant teens, suicidal teens, potential dropouts, substance abusers, and other at-risk children and youths; and

Whereas, school social workers help parents and school personnel bridge the gap between home and school, coordinating community services to meet special needs of children and families; and

Whereas, school social workers work closely with school administrators, teachers, and other education professionals to help schools develop programs that are flexible and responsive to individual student needs; and

Whereas, school social workers advocate for schools, families, children, and youth in the legislative arena by supporting proposals to improve and stabilize school funding,

abolish corporal punishment, and improve legislation and programs for at-risk children and youth;

Therefore, I, Jim Edgar, Governor of the State of Illinois proclaim March 17-23, 1991, as SCHOOL SOCIAL WORK WEEK in Illinois.

Issued by the Governor January 23, 1991.

Filed with the Secretary of State January 28, 1991.

91-014
VOLVO TENNIS/CHICAGO WEEK

Whereas, the Volvo Tennis/Chicago men's professional tournament will feature 24 international stars in competition for the championship; and

Whereas, the Volvo Tennis/Chicago tournament will take place for its seventh consecutive year; and

Whereas, a tennis event of this magnitude enhances Illinois' reputation as a center of great sporting events;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 25-March 3, 1991, as VOLVO TENNIS/CHICAGO WEEK in Illinois.

Issued by the Governor January 23, 1991.

Filed with the Secretary of State January 28, 1991.

91-015
TRAVEL AGENT APPRECIATION WEEK

Whereas, the travel agents of Illinois have made significant contributions to the state's travel and tourism industry; and

Whereas, Illinois' travel agents have offered valuable services and assistance to Illinois travelers; and

Whereas, Illinois provides employment to approximately 20,000 travel agents; and

Whereas, Delta Air Lines has designated February 4-8, 1991, as Travel Agent Appreciation Week;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim February 4-8, 1991, as TRAVEL AGENT APPRECIATION WEEK in Illinois, in recognition of the valuable contributions travel agents have made to our state.

Issued by the Governor January 24, 1991.

Filed with the Secretary of State January 28, 1991.

91-016
LEO MELAMED DAY

Whereas, Leo Melamed fled Nazi-occupied Poland in 1939, settled in Chicago in 1941, and eventually worked his way through both the Navy Pier Campus of the University of Illinois and the John Marshall Law School; and

Whereas, Leo Melamed began his career at the Chicago Mercantile Exchange as a runner and became chairman of the exchange's Board of Governors in 1969; and

Whereas, Leo Melamed's stewardship, combined with financial futures and options, helped the annual trading volume at the Chicago Mercantile Exchange soar from less than 4 million contracts in 1969 to more than 100 million contracts today; and

Whereas, as a founder and chairman of the National Futures Association and widely recognized "Father of Financial Futures," Leo Melamed has worked tirelessly on behalf of his industry during the period in which it has matured and garnered universal respect and prestige; and

Whereas, Leo Melamed, who is in the first rank of international financial leaders and a principal architect and first chairman of the automated electronic trading system GLOBEX, is retiring as Chairman of the Executive Committee and Special Counsel to the Board of Governors of the Chicago Mercantile Exchange;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim January 26, 1991, as LEO MELAMED DAY in Illinois.

Issued by the Governor January 25, 1991.

Filed with the Secretary of State January 28, 1991.

91-017
OPERATION DESERT STORM SUPPORT DAY

Whereas, more than 2,500 Illinoisans are protecting the right of freedom by serving as military personnel in Operation Desert Storm in the Persian Gulf; and

Whereas, citizens should make a strong effort to show their support for our brave troops; and

Whereas, the American Legion Peoria Post No. 2 is sponsoring an Operation Desert Storm Support Rally on January 27, 1991, at the Peoria County Courthouse; and

Whereas, the rally will include a presentation of the colors, patriotic songs, prayer, and the release of 2,500 red, white, and blue balloons to show our troops how invaluable they are to us;

Therefore, I, Jim Edgar, Governor of the State of Illinois, proclaim January 27, 1991, as OPERATION DESERT STORM SUPPORT DAY in Illinois and urge citizens to take part in activities and ceremonies designed to show support and appreciation of our troops.

Issued by the Governor January 25, 1991.

Filed with the Secretary of State January 28, 1991.

JCAR - Joint Committee on Administrative Rules

ACTION CODES

A – Adopted Rule	*P – Proposed Rule*
AR – Adopted Repealer	*PF – Prohibited Filing Ordered by JCAR*
C – Notice of Corrections	*PP – Peremptory or Court ordered Rules*
CC – Codification Changes	*PR – Proposed Repealer*
E – Emergency Rule	*R – Refusal to meet JCAR objection*
ER – Emergency Repealer	*RC – Statement of Recommendation*
M – Modification to meet JCAR objections	*S – Suspension ordered by JCAR*
O – JCAR Statement of Objections	*W – Withdrawal to meet JCAR objections*

EXAMPLE:

AGRICULTURE, DEPARTMENT OF
8 Ill. Adm. Code 285 Ill. Grain Insurance Act (P-18048/85; A-6818)

TITLE — PART — ACTION CODE — PAGE NUMBER — PREVIOUS VOLUME — ACTION CODE — PAGE NUMBER

ALL RULES ARE LISTED BY PART NUMBER AND HEADING ONLY. (FOR ACTION ON SPECIFIC SECTIONS, PLEASE REFER TO THE SECTIONS AFFECTED INDEX.) IF THERE ARE ANY QUESTIONS, PLEASE CONTACT THE ADMINISTRATIVE CODE DIVISION AT (217) 782-9786.

ABANDONED MINED LANDS RECLAMATION COUNCIL
62 Ill. Adm. Code 2501 Abandoned Mined Lands Reclamation (P-141)

AGRICULTURE, DEPARTMENT OF
8 Ill. Adm. Code 255 Agrichemical Facilities (E-128)
8 Ill. Adm. Code 270 Ill. State Fair & DuQuoin State Fair, Non-Fair Space Rental & the General Operation of the State Fairgrounds (P-10965/90; A-455)
8 Ill. Adm. Code 125 Meat & Poultry Inspection Act (PP-620; W-1574) (P-1583)

BANKS AND TRUST COMPANIES, COMMISSIONER OF
38 Ill. Adm. Code 397 Corporate Fiduciary Receivership Account (P-15181/90; A-167)

CENTRAL MANAGEMENT SERVICES, DEPARTMENT OF
80 Ill. Adm. Code 310 Pay Plan (PP-663)
44 Ill. Adm Code 5030 Personal Use of State Telephones (P-1203)

CHILDREN AND FAMILY SERVICES
89 Ill. Adm. Code 431 Confidentiality of Personal Information of Persons Served by the Dept. (P-4303/90; A-24)

COMMERCE COMMISSION, ILLINOIS
83 Ill. Adm. Code 730 Standards of Service for Local Exchange Telecommunications Carriers (P-1627)
83 Ill. Adm. Code 730 Standards of Service for Telephone Utilities (G.O. 197) (PR-1650)

COMMERCE AND COMMUNITY AFFAIRS, DEPARTMENT OF
14 Ill. Adm. Code 510 Ill. Promotion Act (P-677)
14 Ill. Adm. Code 550 Local Tourism & Convention Bureau Program (P-8782/90; A-1798)
47 Ill. Adm. Code 100 Residential Energy Assistance Partnership Program (P-15189/90; O-1575)
56 Ill. Adm. Code 2600 Service Delivery System & State Responsibilities (P-691)
14 Ill. Adm. Code 540 Technology Commercialization Grant-In-Aid Programs (P-11022/90; A-973)

CONSERVATION, DEPARTMENT OF
17 Ill. Adm. Code 2520 Consignment of Licenses (P-725)
17 Ill. Adm. Code 590 Duck, Goose & Coot Hunting (P-17144/90; A-1487)
17 Ill. Adm. Code 1590 Falconry & the Captive Propagation of Raptors (P-16174/90; A-32)
17 Ill. Adm. Code 220 North Point Marina (P-16182/90; A-1495)

CORRECTIONS, DEPARTMENT OF
20 Ill. Adm. Code 415 Health Care (P-15228/90; O-21107; R-1168; A-988)
20 Ill. Adm. Code 405 School District #428 (P-1)

EDUCATION, STATE BOARD OF
23 Ill. Adm. Code 250 Comprehensive Arts Programs (P-11447/90; A-463)
23 Ill. Adm. Code 226 Special Education (P-11068/90; A-40)

EMPLOYMENT SECURITY, DEPARTMENT OF
56 Ill. Adm. Code 2770 Determination of Unemployment Contributions (P-15659/90; A-172)
56 Ill. Adm. Code 2920 Disqualifying Income & Reduced Benefits (P-13905/90; A-180)
56 Ill. Adm. Code 2815 Employees' General Rights & Duties (P-17152/90; A-1817)
56 Ill. Adm. Code 2765 Payment of Unemployment Contributions, Interest & Penalties (P-13910/90; A-185)

FINANCIAL INSTITUTIONS, DEPARTMENT OF
38 Ill. Adm. Code 180 Uniform Disposition of Unclaimed Property Act (P-1207)

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77 Ill. Adm. Code 2530 Hospital Price Information (P-17428/90; A-1821)

HISTORIC PRESERVATION AGENCY, ILLINOIS
17 Ill. Adm. Code 4160 Public Use of Historic Sites & Properties (P-1680)

INSURANCE, DEPARTMENT OF
50 Ill. Adm. Code 6101 Health Maintenance Oraganization (P-20205/89; O-2117/90; M-365; A-199)
50 Ill. Adm. Code 3119 Prelicensing & Continuing Education (P-12127/90; A-69)

LOCAL GOVERNMENTAL LAW ENFORCEMENT OFFICERS TRAINING BOARD, ILLINOIS
20 Ill. Adm. Code 1720 Ill. Police Training Act (P-16198/90; A-999)

MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, DEPARTMENT OF
59 Ill. Adm. Code 117 Family Assistance & Home-Based Support Programs for Persons with Mental Disabilities (P-14671/90; A-1511)
59 Ill. Adm. Code 130 Mental Health Clinic Program Standards & Provider Requirements (P-18100/90; O-21140/90; R-1171)
59 Ill. Adm. Code 106 Services Charges (P-14674/90; A-1555)

MINES AND MINERALS, DEPARTMENT OF
62 Ill. Adm. Code 1761 Areas Designated by Act of Congress (P-1212)
62 Ill. Adm. Code 1702 Exemption for Coal Extraction Incidental to the Extraction of Other Minerals (P-1221)
62 Ill. Adm. Code 1700 General (P-1235)
62 Ill. Adm. Code 1701 General Definitions (P-1242)
62 Ill. Adm. Code 1816 Permanent Program Performance Standards--Surface Mining Activities (P-1266)
62 Ill. Adm. Code 1817 Permanent Program Performance Standards--Underground Mining Activities (P-1314)

MINES AND MINERALS, DEPARTMENT OF (CONT'D)
62 Ill. Adm. Code 1778 Permit Applications--Minimum Requirements for Legal, Financial, Compliance & Related Information (P-1342)
62 Ill. Adm. Code 1772 Requirements for Coal Exploration (P-1347)
62 Ill. Adm. Code 1773 Requirements for Permits & Permit Processing (P-1352)
62 Ill. Adm. Code 1774 Revision; Renewal; & Transfer, Assignment or Sale of Permit Rights (P-1363)
62 Ill. Adm. Code 1823 Special Program Performance Standards on Prime Farmland (P-1368)
62 Ill. Adm. Code 220 Surface Installation Health & Safety (P-14277/90; A-1006)
62 Ill. Adm. Code 1780 Surface Mining Permit Application--Minimum Requirements for Reclamation & Operation Plan (P-1374)
62 Ill. Adm. Code 1784 Underground Mining Permit Applications--Minimum Requirements for Reclamation & Operation Plan (P-1382)

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32 Ill. Adm. Code 401 Accrediting Persons in the Practice of Medical Radiation Technology (P-1390)
32 Ill. Adm. Code 331 Fees for Radioactive Material Licenses (P-15672/90; A-90)

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35 Ill. Adm. Code 304 Effluent Standards (P-9700/90; A-241)
35 Ill. Adm. Code 231 Hazardous Air Pollutants (PR-730)
35 Ill. Adm. Code 230 New Source Performance Standards (PR-741)
35 Ill. Adm. Code 215 Organic Material Emission Standards & Limitations (P-768)
35 Ill. Adm. Code 201 Permits & General Provisions (P-780)
35 Ill. Adm. Code 611 Primary Drinking Water Standards (P-17154/90; A-1562)
35 Ill. Adm. Code 214 Sulfur Limitations (P-11098/90; A-1017)
35 Ill. Adm. Code 212 Visible & Particulate Matter Emmissions (P-791)

PROFESSIONAL REGULATION, DEPARTMENT OF
68 Ill. Adm. Code 1250 Funeral Directors & Embalmers Act (P-1691)
68 Ill. Adm. Code 1380 Professional Engineering Practice Act of 1989, The (P-7346/90; A-247)

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89 Ill. Adm. Code 112 Aid to Families With Dependent Children (P-157) (E-338) (P-371)
89 Ill. Adm. Code 113 Aid to the Aged, Blind or Disabled (P-15701/90; A-277) (P-384) (P-804) (E-1111) (P-1715)
89 Ill. Adm. Code 111 Assistance Standards (P-17762/90; A-1029)
89 Ill. Adm. Code 160 Child Support Enforcement (P-806) (P-17436/90; A-1034)
89 Ill. Adm. Code 144 Developmental Disabilities Services (P-816)
89 Ill. Adm. Code 141 Drug Manual (P-831) (E-1121)
89 Ill. Adm. Code 114 General Assistance (P-15712/90; A-288) (P-394)
89 Ill. Adm. Code 149 Ill. Competitive Access & Reimbursement Equity (ICARE) Program (P-15722/90; A-1826)
89 Ill. Adm. Code 120 Medical Assistance Programs (P-159) (E-348) (P-833)
89 Ill. Adm. Code 140 Medical Payment (P-14317/90; O-21120; M-368; A-298) (P-13963/90; O-17718/90; R-366; A-298) (P-406) (E-592) (P-847) (P-14681/90; A-1051) (P-18813/90; C-1174) (P-1414)
89 Ill. Adm. Code 104 Practice in Administrative Hearings (P-15)
89 Ill. Adm. Code 147 Reimbursement for Nursing Costs for Geriatric Facilities (P-870)
89 Ill. Adm. Code 102 Rights & Responsibilities (P-409)

PUBLIC HEALTH, DEPARTMENT OF
77 Ill. Adm. Code 590 Family Practice Residency Code (PR-8493/90; AR-1830) (P-8503/90; A-1833)
77 Ill. Adm. Code 550 Head & Spinal Cord Injury (P-10656/90; A-1068)
77 Ill. Adm. Code 710 Ill. Alzheimer's Disease & Related Disorders Assistance Code (P-15246/90; W-675)
77 Ill. Adm. Code 540 Ill. Trauma Center Code (P-10665/90; A-1084)
77 Ill. Adm. Code 350 Intermediate Care for the Developmentally Disabled Facilities Code (P-9833/90; A-466)
77 Ill. Adm. Code 390 Long-Term Care for Unmder Age 22 Facilities Code (P-9883/90; A-1878)
77 Ill. Adm. Code 330 Sheltered Care Facilities Code (P-9920/90; A-516)
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11 Ill. Adm. Code 405 Pari-Mutuels (P-8957/90; A-591)
11 Ill. Adm. Code 1424 Regs. for Meetings (P-19690/90; W-1173) (P-10691/90; A-20545/90; C-2044)

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89 Ill. Adm. Code 562 Client Financial Participation (P-161)

RETIREMENT SYSTEM OF ILLINOIS, STATE EMPLOYEES
2 Ill. Adm. Code 2375 Public Information, Rulemaking & Organization (A-1571)

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86 Ill. Adm. Code 430 Bingo License & Tax Act (P-1724)
86 Ill. Adm. Code 435 Charitable Games Act (P-1748)
86 Ill. Adm. Code 440 Cigarette Tax Act (P-13429/90; A-117)
86 Ill. Adm. Code 450 Cigarette Use Tax Act (P-13429/90; A-122)
86 Ill. Adm. Code 432 Pull Tabs & Jar Games Act (P-1777)
86 Ill. Adm. Code 3000 Riverboat Gambling (P-433)

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38 Ill. Adm. Code 1075 Savings Bank Act (P-14758/90; A-1916)

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20 Ill. Adm. Code 1215 Ill. Uniform Conviction Information Act (P-12398/90; A-1107)

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91-017 Operation Desert Storm Support Day 2052

The Sections Affected Index lists, by Title, each Section of a codified Part on which rulemaking activity has occurred in this volume of the Register and is divided into two parts: the first lists the Sections on which rulemaking occurred in the previous issues of this volume year; the second lists the Sections on which rulemaking activity occurred in this issue of the Register. (The headings at the top of each page indicate the two parts: the first part shows the previous issue numbers inclusively and the date of the last published issue; the second lists the current issue number and date.) The columns in both parts indicate the type of rulemaking activity and the action taken along with the page number on which the first page of the notice of rulemaking activity appeared. If a Section on which action is being taken in the current volume (calendar year) of the Register was proposed in a previous volume, the last two digits of the previous volume's year appear immediately after the page number separated by a slash. (e.g. 1 Ill. Adm. Code 100.280 was proposed last year and adopted this year. The action entry reads: (P-8577/89; A-724) The codes for both columns are listed below. For a complete listing of the Titles of the *Illinois Administrative Code*, please refer to 1 Ill. Adm. Code 100.140 or contact the Administrative Code Division.

TYPE OF RULEMAKING

am = amendment to existing Section
cc = codification changes
n = new Section
r = repeal of existing Section
rc = recodified
# = renumbered

ACTION CODES

A = Adopted rule
C = Correction
CC = Codification Changes
E = Emergency rule
F = Failure to Remedy Objections
M = Modification
O = JCAR Objection
P = Proposed rule
PF = Prohibited Filing
PP = Peremptory rule
R = Refusal to Modify or Withdraw
RC = JCAR Recommendation
S = Suspended rule
W = Withdrawal of Proposed rule

TITLE 2

2375.110	am	(A-1571)

TITLE 8

125.10	am	(PP-620; W-1574) (P-1583)
125.30	am	(PP-620; W-1574) (P-1583)
125.40	am	(PP-620; W-1574) (P-1583)
125.50	am	(PP-620; W-1574) (P-1583)
125.60	am	(PP-620; W-1574) (P-1583)
125.80	am	(PP-620; W-1574) (P-1583)
125.90	am	(PP-620; W-1574) (P-1583)
125.100	am	(PP-620; W-1574) (P-1583)
125.110	am	(PP-620; W-1574) (P-1583)
125.120	am	(PP-620; W-1574) (P-1583)
125.130	am	(PP-620; W-1574) (P-1583)
125.140	am	(PP-620; W-1574) (P-1583)
125.150	am	(PP-620; W-1574) (P-1583)
125.160	am	(PP-620; W-1574) (P-1583)
125.170	am	(PP-620; W-1574) (P-1583)
125.180	am	(PP-620; W-1574) (P-1583)
125.190	am	(PP-620; W-1574) (P-1583)
125.200	am	(PP-620; W-1574) (P-1583)
125.210	am	(PP-620; W-1574) (P-1583)
125.220	am	(PP-620; W-1574) (P-1583)
125.230	am	(PP-620; W-1574) (P-1583)
125.240	am	(PP-620; W-1574) (P-1583)
125.250	am	(PP-620; W-1574) (P-1583)
125.260	am	(PP-620; W-1574) (P-1583)
125.270	am	(PP-620; W-1574) (P-1583)
125.280	am	(PP-620; W-1574) (P-1583)
125.290	am	(PP-620; W-1574) (P-1583)
125.300	am	(PP-620; W-1574) (P-1583)
125.305	am	(PP-620; W-1574) (P-1583)
125.310	am	(PP-620; W-1574) (P-1583)
125.320	am	(PP-620; W-1574) (P-1583)
125.330	am	(PP-620; W-1574) (P-1583)
125.340	am	(PP-620; W-1574) (P-1583)
125.350	am	(PP-620; W-1574) (P-1583)
125.360	am	(PP-620; W-1574) (P-1583)
125.370	am	(PP-620; W-1574) (P-1583)
125.380	am	(PP-620; W-1574) (P-1583)
125.400	am	(PP-620; W-1574) (P-1583)
125.410	am	(PP-620; W-1574) (P-1583)
255.50	am	(E-128)
270.261	am	(P-10965/90; A-455)

TITLE 11

405.170	r	(P-8957/90; A-591)
1424.140	n	(P-10691/90; A-20545/90; C-2044)
1424.355	am	(P-19690/90; W-1173)

TITLE 14

510.10	am	(P-677)
510.20	am	(P-677)
510.40	am	(P-677)
510.50	am	(P-677)
510.60	am	(P-677)
510.70	am	(P-677)
510.80	am	(P-677)
540.110	n	(P-11022/90; A-973)
540.120	n	(P-11022/90; A-973)
540.130	n	(P-11022/90; A-973)
540.140	n	(P-11022/90; A-973)
540.150	n	(P-11022/90; A-973)
540.160	n	(P-11022/90; A-973)
540.170	n	(P-11022/90; A-973)
540.180	n	(P-11022/90; A-973)
540.190	n	(P-11022/90; A-973)
550.20	am	(P-8782/90; A-1798)
550.30	am	(P-8782/90; A-1798)
550.35	am	(P-8782/90; A-1798)
550.40	am	(P-8782/90; A-1798)
550.50	am	(P-8782/90; A-1798)

TITLE 17

220.20	am	(P-16182/90; A-1495)
220.30	am	(P-16182/90; A-1495)
220.40	am	(P-16182/90; A-1495)
220.50	am	(P-16182/90; A-1495)
220.60	am	(P-16182/90; A-1495)
220.70	am	(P-16182/90; A-1495)
590.10	am	(P-17144/90; A-1487)
1590.50	am	(P-16174/90; A-32)
1590.80	am	(P-16174/90; A-32)
1590.90	am	(P-16174/90; A-32)
2520.50	am	(P-725)
4160.10	n	(P-1680)
4160.20	n	(P-1680)
4160.30	n	(P-1680)
4160.40	n	(P-1680)
4160.50	n	(P-1680)
4160.60	n	(P-1680)
4160.70	n	(P-1680)
4160.80	n	(P-1680)
4160.90	n	(P-1680)
4160.100	n	(P-1680)
4160.110	n	(P-1680)
4160.120	n	(P-1680)
4160.130	n	(P-1680)
4160.140	n	(P-1680)
4160.160	n	(P-1680)
4160.170	n	(P-1680)
4160.180	n	(P-1680)

TITLE 20

405.10	am	(P-1)
405.15	am	(P-1)
405.17	am	(P-1)
405.20	am	(P-1)
405.30	am	(P-1)
405.40	r	(P-1)
405.50	am	(P-1)
405.55	n	(P-1)
405.60	am	(P-1)
405.70	am	(P-1)
415.15	am	(P-15228/90; A-988)
415.20	am	(P-15228/90; A-988)
415.30	am	(P-15228/90; A-988)
415.70	n	(P-15228/90; O-21107/90; R-1168; A-988)
1215.10	n	(P-12398/90; A-1107)
1215.20	n	(P-12398/90; A-1107)
1215.30	n	(P-12398/90; A-1107)
1215.40	n	(P-12398/90; A-1107)
1215.50	n	(P-12398/90; A-1107)
1720.30	am	(P-16198/90; A-999)
1720.Ap.A	am	(P-16198/90; A-999)

TITLE 23

226.40	am	(P-11068/90; A-40)
226.520	am	(P-11068/90; A-40)
226.525	am	(P-11068/90; A-40)
226.552	am	(P-11068/90; A-40)
226.555	am	(P-11068/90; A-40)
226.560	am	(P-11068/90; A-40)
226.605	am	(P-11068/90; A-40)
226.612	r	(P-11068/90; A-40)
226.615	am	(P-11068/90; A-40)
226.620	r	(P-11068/90; A-40)
226.680	am	(P-11068/90; A-40)
226.684	am	(P-11068/90; A-40)
226.720	am	(P-11068/90; A-40)
226.730	am	(P-11068/90; A-40)
250.70	am	(P-11447/90; A-463)

TITLE 32

331.10	am	(P-15672/90; A-90)
331.20	am	(P-15672/90; A-90)
331.30	am	(P-15672/90; A-90)
331.110	am	(P-15672/90; A-90)
331.120	am	(P-15672/90; A-90)
331.130	n	(P-15672/90; A-90)
331.200	am	(P-15672/90; A-90)
331.210	r	(P-15672/90; A-90)
331.310	am	(P-15672/90; A-90)
331.Ap.B	n	(P-15672/90; A-90)
331.Ap.C	n	(P-15672/90; A-90)
401.20	am	(P-1390)
401.30	am	(P-1390)
401.40	am	(P-1390)
401.50	am	(P-1390)
401.60	am	(P-1390)
401.70	am	(P-1390)
401.80	am	(P-1390)
401.100	am	(P-1390)
401.110	am	(P-1390)
401.130	am	(P-1390)
401.140	am	(P-1390)
401.Ap.A	n	(P-1390)
401.Ap.B	n	(P-1390)

TITLE 35

201.102	am	(P-780)
201.401	am	(P-780)
212.205	am	(P-791)
212.443	am	(P-791)
214.101	am	(P-11098/90; A-1017)
214.104	am	(P-11098/90; A-1017)
215.123	am	(P-768)
230.110	r	(P-741)
230.140	r	(P-741)
230.141	r	(P-741)
230.142	r	(P-741)
230.150	r	(P-741)
230.160	r	(P-741)
230.170	r	(P-741)
230.180	r	(P-741)
230.190	r	(P-741)
230.200	r	(P-741)
230.210	r	(P-741)
230.211	r	(P-741)
230.212	r	(P-741)
230.220	r	(P-741)
230.230	r	(P-741)
230.240	r	(P-741)
230.241	r	(P-741)
230.250	r	(P-741)
230.260	r	(P-741)
230.270	r	(P-741)
230.280	r	(P-741)
230.290	r	(P-741)
230.300	r	(P-741)
230.310	r	(P-741)
230.320	r	(P-741)
230.330	r	(P-741)
230.340	r	(P-741)
230.350	r	(P-741)
230.360	r	(P-741)
230.370	r	(P-741)
230.371	r	(P-741)
230.380	r	(P-741)
230.390	r	(P-741)
230.400	r	(P-741)
230.410	r	(P-741)
230.430	r	(P-741)
230.440	r	(P-741)
230.470	r	(P-741)
230.480	r	(P-741)
230.490	r	(P-741)
230.500	r	(P-741)
230.520	r	(P-741)
230.530	r	(P-741)
230.540	r	(P-741)
230.550	r	(P-741)
230.560	r	(P-741)
230.570	r	(P-741)
230.580	r	(P-741)
230.590	r	(P-741)
230.600	r	(P-741)
230.680	r	(P-741)
230.690	r	(P-741)
230.700	r	(P-741)
230.720	r	(P-741)
230.730	r	(P 741)
230.740	r	(P-741)
230.780	r	(P-741)
230.Tb.A	r	(P-741)
230.Tb.B	r	(P-741)
230.Ap.A	r	(P-741)
230.Ap.B	r	(P-741)
230.Ap.C	r	(P-741)
230.Ap.F	r	(P-741)
231.110	r	(P-730)
231.120	r	(P-730)
231.122	r	(P-730)
231.130	r	(P-730)
231.140	r	(P-730)
231.150	r	(P-730)
231.160	r	(P-730)
231.180	r	(P-730)
231.190	r	(P-730)
231.200	r	(P-730)
231.210	r	(P-730)
231.230	r	(P-730)
231.240	r	(P-730)

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231.250	r	(P-730)
231.260	r	(P-730)
231.320	r	(P-730)
231.330	r	(P-730)
231.Tb.A	r	(P-730)
231.Ap.A	r	(P-730)
231.Ap.B	r	(P-730)
231.Ap.C	r	(P-730)
304.211	n	(P-9700/90; A-241)
611.325	am	(P-17154/90; A-1562)
611.521	am	(P-17154/90; A-1562)

TITLE 38

180.90	am	(P-1207)
397.10	n	(P-15181/90; A-167)
397.20	n	(P-15181/90; A-167)
397.30	n	(P-15181/90; A-167)
397.40	n	(P-15181/90; A-167)
397.50	n	(P-15181/90; A-167)
1075.100	n	(P-14758/90; A-1916)
1075.110	n	(P-14758/90; A-1916)
1075.120	n	(P-14758/90; A-1916)
1075.130	n	(P-14758/90; A-1916)
1075.140	n	(P-14758/90; A-1916)
1075.200	n	(P-14758/90; A-1916)
1075.300	n	(P-14758/90; A-1916)
1075.310	n	(P-14758/90; A-1916)
1075.400	n	(P-14758/90; A-1916)
1075.410	n	(P-14758/90; A-1916)
1075.415	n	(P-14758/90; A-1916)
1075.420	n	(P-14758/90; A-1916)
1075.430	n	(P-14758/90; A-1916)
1075.440	n	(P-14758/90; A-1916)
1075.450	n	(P-14758/90; A-1916)
1075.455	n	(P-14758/90; A-1916)
1075.460	n	(P-14758/90; A-1916)
1075.465	n	(P-14758/90; A-1916)
1075.470	n	(P-14758/90; A-1916)
1075.480	n	(P-14758/90; A-1916)
1075.490	n	(P-14758/90; A-1916)
1075.500	n	(P-14758/90; A-1916)
1075.505	n	(P-14758/90; A-1916)
1075.510	n	(P-14758/90; A-1916)
1075.515	n	(P-14758/90; A-1916)
1075.520	n	(P-14758/90; A-1916)
1075.525	n	(P-14758/90; A-1916)
1075.530	n	(P-14758/90; A-1916)
1075.535	n	(P-14758/90; A-1916)
1075.540	n	(P-14758/90; A-1916)
1075.545	n	(P-14758/90; A-1916)
1075.550	n	(P-14758/90; A-1916)
1075.555	n	(P-14758/90; A-1916)
1075.560	n	(P-14758/90; A-1916)
1075.565	n	(P-14758/90; A-1916)
1075.570	n	(P-14758/90; A-1916)
1075.575	n	(P-14758/90; A-1916)
1075.580	n	(P-14758/90; A-1916)
1075.585	n	(P-14758/90; A-1916)
1075.600	n	(P-14758/90; A-1916)
1075.610	n	(P-14758/90; A-1916)
1075.620	n	(P-14758/90; A-1916)
1075.630	n	(P-14758/90; A-1916)
1075.640	n	(P-14758/90; A-1916)
1075.650	n	(P-14758/90; A-1916)
1075.660	n	(P-14758/90; A-1916)
1075.670	n	(P-14758/90; A-1916)
1075.680	n	(P-14758/90; A-1916)
1075.700	n	(P-14758/90; A-1916)
1075.705	n	(P-14758/90; A-1916)
1075.710	n	(P-14758/90; A-1916)
1075.715	n	(P-14758/90; A-1916)
1075.720	n	(P-14758/90; A-1916)
1075.725	n	(P-14758/90; A-1916)
1075.730	n	(P-14758/90; A-1916)
1075.735	n	(P-14758/90; A-1916)
1075.740	n	(P-14758/90; A-1916)
1075.745	n	(P-14758/90; A-1916)
1075.750	n	(P-14758/90; A-1916)
1075.800	n	(P-14758/90; A-1916)
1075.810	n	(P-14758/90; A-1916)
1075.820	n	(P-14758/90; A-1916)
1075.900	n	(P-14758/90; A-1916)
1075.905	n	(P-14758/90; A-1916)
1075.910	n	(P-14758/90; A-1916)
1075.915	n	(P-14758/90; A-1916)
1075.920	n	(P-14758/90; A-1916)
1075.925	n	(P-14758/90; A-1916)
1075.930	n	(P-14758/90; A-1916)
1075.935	n	(P-14758/90 A-1916)
1075.945	n	(P-14758/90; A-1916)
1075.950	n	(P-14758/90; A-1916)
1075.955	n	(P-14758/90; A-1916)
1075.960	n	(P-14758/90; A-1916)
1075.965	n	(P-14758/90 A-1916)
1075.970	n	(P-14758/90; A-1916)
1075.975	n	(P-14758/90; A-1916)
1075.980	n	(P-14758/90; A-1916)
1075.985	n	(P-14758/90; A-1916)
1075.990	n	(P-14758/90; A-1916)
1075.995	n	(P-14758/90; A-1916)
1075.1000	n	(P-14758/90; A-1916)
1075.1005	n	(P-14758/90; A-1916)
1075.1010	n	(P-14758/90; A-1916)
1075.1015	n	(P-14758/90; A-1916)
1075.1020	n	(P-14758/90; A-1916)
1075.1025	n	(P-14758/90; A-1916)
1075.1030	n	(P-14758/90; A-1916)
1075.1035	n	(P-14758/90; A-1916)
1075.1040	n	(P-14758/90; A-1916)
1075.1045	n	(P-14758/90; A-1916)
1075.1050	n	(P-14758/90; A-1916)
1075.1055	n	(P-14758/90; A-1916)
1075.1100	n	(P-14758/90; A-1916)
1075.1105	n	(P-14758/90; A-1916)
1075.1110	n	(P-14758/90; A-1916)
1075.1115	n	(P-14758/90; A-1916)
1075.1120	n	(P-14758/90; A-1916)
1075.1125	n	(P-14758/90; A-1916)
1075.1130	n	(P-14758/90; A-1916)
1075.1135	n	(P-14758/90; A-1916)
1075.1140	n	(P-14758/90; A-1916)
1075.1145	n	(P-14758/90; A-1916)
1075.1150	n	(P-14758/90; A-1916)
1075.1155	n	(P-14758/90; A-1916)
1075.1160	n	(P-14758/90; A-1916)
1075.1165	n	(P-14758/90; A-1916)
1075.1170	n	(P-14758/90; A-1916)

TITLE 38 (CONTD)

1075.1175	n	(P-14758/90; A-1916)
1075.1180	n	(P-14758/90; A-1916)
1075.1185	n	(P-14758/90; A-1916)
1075.1190	n	(P-14758/90; A-1916)
1075.1195	n	(P-14758/90; A-1916)
1075.1200	n	(P-14758/90 A-1916)
1075.1205	n	(P-14758/90; A-1916)
1075.1210	n	(P-14758/90; A-1916)
1075.1215	n	(P-14758/90; A-1916)
1075.1220	n	(P-14758/90; A-1916)
1075.1225	n	(P-14758/90; A-1916)
1075.1230	n	(P-14758/90; A-1916)
1075.1235	n	(P-14758/90; A-1916)
1075.1240	n	(P-14758/90 A-1916)
1075.1245	n	(P-14758/90; A-1916)
1075.1250	n	(P-14758/90; A-1916)
1075.1255	n	(P-14758/90; A-1916)
1075.1260	n	(P-14758/90; A-1916)
1075.1265	n	(P-14758/90; A-1916)
1075.1270	n	(P-14758/90; A-1916)
1075.1275	n	(P-14758/90; A-1916)
1075.1280	n	(P-14758/90; A-1916)
1075.1285	n	(P-14758/90; A-1916)
1075.1290	n	(P-14758/90; A-1916)
1075.1295	n	(P-14758/90; A-1916)
1075.1300	n	(P-14758/90; A-1916)
1075.1305	n	(P-14758/90; A-1916)
1075.1310	n	(P-14758/90; A-1916)
1075.1315	n	(P-14758/90; A-1916)
1075.1320	n	(P-14758/90; A-1916)
1075.1325	n	(P-14758/90; A-1916)
1075.1400	n	(P-14758/90; A-1916)
1075.1405	n	(P-14758/90; A-1916)
1075.1410	n	(P-14758/90; A-1916)
1075.1415	n	(P-14758/90; A-1916)
1075.1420	n	(P-14758/90; A-1916)
1075.1425	n	(P-14758/90; A-1916)
1075.1430	n	(P-14758/90; A-1916)
1075.1435	n	(P-14758/90; A-1916)
1075.1440	n	(P-14758/90; A-1916)
1075.1445	n	(P-14758/90; A-1916)
1075.1450	n	(P-14758/90; A-1916)
1075.1500	n	(P-14758/90; A-1916)
1075.1510	n	(P-14758/90; A-1916)
1075.1520	n	(P-14758/90; A-1916)
1075.1530	n	(P-14758/90; A-1916)
1075.1540	n	(P-14758/90; A-1916)
1075.1550	n	(P-14758/90; A-1916)
1075.1600	n	(P-14758/90; A-1916)
1075.1610	n	(P-14758/90; A-1916)
1075.1620	n	(P-14758/90; A-1916)
1075.1630	n	(P-14758/90; A-1916)
1075.1640	n	(P-14758/90; A-1916)
1075.1650	n	(P-14758/90; A-1916)

TITLE 44

5030.130	am	(P-1203)

TITLE 47

100.111	am	(P-15189/90; O-1575)
100.113	am	(P-15189/90; O-1575)

TITLE 50

3119.20	am	(P-12127/90; A-69)
3119.30	am	(P-12127/90; A-69)
3119.40	am	(P-12127/90; A-69)
3119.50	am	(P-12127/90; A-69)
3119.60	am	(P-12127/90; A-69)
3119.70	am	(P-12127/90; A-69)
3119.Ex.A	am	(P-12127/90; A-69)
3119.Ex.B	am	(P-12127/90; A-69)
3119.Ex.C	am	(P-12127/90; A-69)
3119.Ex.D	am	(P-12127/90; A-69)
6101.10	am	(P-20205/89; A-199)
6101.20	am	(P-20205/89; A-199)
6101.40	am	(P-20205/89; A-199)
6101.50	am	(P-20205/89; A-199)
6101.100	am	(P-20205/89; A-199)
6101.110	am	(P-20205/89; O-2117/90; M-365; A-199)
6101.111	n	(P-20205/89; A-199)
6101.112	n	(P-20205/89; A-199)
6101.130	am	(P-20205/89; A-199)
6101.140	am	(P-20205/89; A-199)
6101.141	n	(P-20205/89; A-199)
6101.142	n	(P-20205/89; A-199)
6101.160	r	(P-20205/89; A-199)
6101.20	am	(P-20205/89; A-199)
6101.20	am	(P-20205/89; A-199)
6101.20	am	(P-20205/89; A-199)

TITLE 56

2600.20	am	(P-691)
2765.325	am	(P-13910/90; A-185)
2770.110	am	(P-15659/90; A-172)
2815.105	am	(P-17152/90; A-1817)
2920.40	am	(P-13905/90; A-180)

TITLE 59

106.25	am	(P-14674/90; A-1555)
106.45	am	(P-14674/90; A-1555)
117.100	n	(P-14671/90; A-1511)
117.110	n	(P-14671/90; A-1511)
117.115	n	(P-14671/90; A-1511)
117.120	n	(P-14671/90; A-1511)
117.125	n	(P-14671/90; A-1511)
117.130	n	(P-14671/90; A-1511)
117.135	n	(P-14671/90; A-1511)
117.140	n	(P-14671/90; A-1511)
117.145	n	(P-14671/90; A-1511)
117.200	n	(P-14671/90; A-1511)
117.205	n	(P-14671/90; A-1511)
117.210	n	(P-14671/90; A-1511)
117.215	n	(P-14671/90; A-1511)
117.220	n	(P-14671/90; A-1511)
117.225	n	(P-14671/90; A-1511)
117.230	n	(P-14671/90; A-1511)
117.235	n	(P-14671/90; A-1511)
117.240	n	(P-14671/90; A-1511)
117.300	n	(P-14671/90; A-1511)
117.305	n	(P-14671/90; A-1511)
117.310	n	(P-14671/90; A-1511)
117.315	n	(P-14671/90; A-1511)
117.320	n	(P-14671/90; A-1511)
117.325	n	(P-14671/90; A-1511)
117.330	n	(P-14671/90; A-1511)

TITLE 59 (CONTD)

117.335	n	(P-14671/90; A-1511)
117.340	n	(P-14671/90; A-1511)
117.345	n	(P-14671/90; A-1511)
117.350	n	(P-14671/90; A-1511)
117.Ap.A	n	(P-14671/90; A-1511)
117.II.A	n	(P-14671/90; A-1511)
117.II.B	n	(P-14671/90; A-1511)
117.Ap.B	n	(P-14671/90; A-1511)
117.II.A	n	(P-14671/90; A-1511)
117.II.B	n	(P-14671/90; A-1511)
117.II.C	n	(P-14671/90; A-1511)
117.II.D	n	(P-14671/90; A-1511)
117.II.E	n	(P-14671/90; A-1511)
130.11	am	(E-18100/90; O-21140/90; R-1171)
130.20	am	(E-18100/90; O-21140/90; R-1171)
130.30	am	(E-18100/90; O-21140/90; R-1171)
130.40	am	(E-18100/90; O-21140/90; R-1171)
130.60	am	(E-18100/90; O-21140/90; R-1171)
130.70	am	(E-18100/90; O-21140/90; R-1171)
130.80	am	(E-18100/90; O-21140/90; R-1171)
130.90	r	(E-18100/90; O-21140/90; R-1171)
130.100	am	(E-18100/90; O-21140/90; R-1171)
130.110	am	(E-18100/90; O-21140/90; R-1171)
130.120	am	(E-18100/90; O-21140/90; R-1171)
130.130	am	(E-18100/90; O-21140/90; R-1171)
130.140	am	(E-18100/90; O-21140/90; R-1171)
130.150	am	(E-18100/90; O-21140/90; R-1171)
130.160	am	(E-18100/90; O-21140/90; R-1171)
130.170	am	(E-18100/90; O-21140/90; R-1171)
130.180	am	(E-18100/90; O-21140/90; R-1171)
130.190	am	(E-18100/90; O-21140/90; R-1171)
130.200	am	(E-18100/90; O-21140/90; R-1171)
130.210	am	(E-18100/90; O-21140/90; R-1171)
130.220	am	(E-18100/90; O-21140/90; R-1171)
130.230	am	(E-181Q0/90; O-21140/90; R-1171)
130.240	am	(E-18100/90; O-21140/90; R-1171)
130.250	am	(E-18100/90; O-21140/90; R-1171)
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NAME OF FIRM OR INDIVIDUAL (PLEASE PRINT OR TYPE)

_____

ADDRESS

_____ _____ _____ _____

CITY STATE ZIP CODE TELEPHONE NUMBER

ALL ORDERS ARE PAYABLE IN ADVANCE BY CHECK OR MONEY ORDER MADE PAYABLE TO SECRETARY OF STATE

GEORGE H. RYAN
SECRETARY OF STATE
Administrative Code Division
288 Centennial Bldg.
Springfield, IL 62756